NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

AN ORGANIZATIONAL ANALYSIS MODEL FOR
NAVY FIELD-LEVEL COMPTROLLERSHIP

by

James Edgar Pledger

September 1980

Thesis Advisor: R. A. Bobulinski

Approved for public release; distribution unlimited

T195903

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE

READ INSTRUCTIONS BEFORE COMPLETING FORM

1. REPORT NUMBER	2. GOVT ACCESSION NO. / 3. RECIPIENT'S CATALOG NUMBER
4. TITLE (and Subtitle): AN ORGANIZATIONAL ANALYSIS MODEL FOR NAVY FIELD-LEVEL COMPTROLLERSHIP	5. TYPE OF REPORT & PERIOD COVERED: Master's Thesis; September 1980 / 6. PERFORMING ORG. REPORT NUMBER
7. AUTHOR(s): James Edgar Pledger	8. CONTRACT OR GRANT NUMBER(s)
9. PERFORMING ORGANIZATION NAME AND ADDRESS: Naval Postgraduate School, Monterey, California 93940	10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS
11. CONTROLLING OFFICE NAME AND ADDRESS: Naval Postgraduate School, Monterey, California 93940	12. REPORT DATE: September 1980 / 13. NUMBER OF PAGES: 153
14. MONITORING AGENCY NAME & ADDRESS(if different from Controlling Office): Naval Postgraduate School, Monterey, California 93940	15. SECURITY CLASS. (of this report): Unclassified / 15a. DECLASSIFICATION/DOWNGRADING SCHEDULE

16. DISTRIBUTION STATEMENT (of this Report)

Approved for public release; distribution unlimited

17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)

18. SUPPLEMENTARY NOTES

19. KEY WORDS (Continue on reverse side if necessary and identify by block number)

comptroller, comptrollership, organizations

20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

This thesis presents a look into the organizational behavior aspects of Navy field level comptrollership and presents an organizational analysis model designed to assist the new comptroller in transitioning into the new job. A brief history of comptrollership in the Navy is presented followed by a description of the model. Basically, the model states that optimal structural characteristics of the organization (such as span of control or centralization) can be determined from a study of the organization's

DD FORM 1473 EDITION OF 1 NOV 65 IS OBSOLETE

20. (Continued)

technological and environmental characteristics; that optimal leadership styles can be derived from an examination of individual characteristics of the leader, the followers and the situation; and that appropriate decision making methods are associated with different environments of decision making. The overall operating environment is considered to have both direct and indirect effects on all other variables in the model. Data obtained from a survey of actual Navy field comptrollers verified the correctness of the model with noted reservations and indicated a substantial need for this type of research.

Approved for public release; distribution unlimited

An Organizational Analysis Model for Navy Field-Level Comptrollership

by

James Edgar Pledger
Lieutenant, United States Navy
B.S. United States Naval Academy, 1972

Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL

P61.3
C.1

ABSTRACT

This thesis presents a look into the organizational behavior aspects of Navy field level comptrollership and presents an organizational analysis model designed to assist the new comptroller in transitioning into the new job. A brief history of comptrollership in the Navy is presented followed by a description of the model. Basically, the model states that optimal structural characteristics of the organization (such as span of control or centralization) can be determined from a study of the organization's technological and environmental characteristics; that optimal leadership styles can be derived from an examination of individual characteristics of the leader, the followers and the situation; and that appropriate decision making methods are associated with different environments of decision making. The overall operating environment is considered to have both direct and indirect effects on all other variables in the model. Data obtained from a survey of actual Navy field comptrollers verified the correctness of the model with noted reservations and indicated a substantial need for this type of research.

TABLE OF CONTENTS

		Page
I.	INTRODUCTION	8
	A. BACKGROUND/PROBLEM DEFINITION	8
	B. OBJECTIVE	10
	C. GENERAL APPROACH, METHODOLOGY AND SCOPE	11
	D. THESIS CHAPTER SUMMARY	11
II.	COMPTROLLERSHIP DEFINED	13
	A. "COMPTROLLER" OR "CONTROLLER": MORE THAN A MATTER OF SPELLING	13
	B. HISTORY OF COMPTROLLERSHIP IN THE NAVY	15
	1. Brief Evolution of Federal Treasurer and General Accounting Office (GAO)	15
	2. Department of Defense (DOD)	16
	3. Department of the Navy (DON)	19
	4. Initial Policy	20
	C. FUNCTIONS OF FIELD LEVEL COMPTROLLERSHIP	21
	D. COMPTROLLERSHIP - VIEWPOINTS AND PHILOSOPHIES	23
	E. SUMMARY	27
III.	ANALYSIS MODEL FOR COMPTROLLERSHIP	30
	A. THE ORGANIZATION	30
	B. ORGANIZATIONAL EVOLUTION	31
	1. Evolutionary Model	31
	2. The Primitive Stage	32
	3. The Stable Organization Stage	32
	4. The Elaboration of Structure Stage	34

C. THE MODEL 36

1. General 36

2. Technology/Structural Characteristics 39

a. Thompson 40

b. Burns and Stalker 43

c. Woodward 45

d. Rousseau 47

e. Perrow 51

f. Lawrence and Lorsch 54

g. Summary 58

3. Leadership Style 58

a. Leadership Patterns Available 60

(1) The Manager Makes the Decision and Announces It 60

(2) The Manager "Sells" the Decision 60

(3) The Manager Presents Ideas, Invites Questions 62

(4) The Manager Presents a Tenative Decision Subject to Change 62

(5) The Manager Presents the Problem, Gets Suggestions, And Then Makes the Decision 62

(6) The Manager Defines the Limits and Requests the Group to Make a Decision 63

(7) The Manager Permits the Group to Make Decisions Within Prescribed Limits 63

b. Choosing a Leadership Pattern 63

c. Long-run vs. Immediate Objectives 67

d. Summary 68
4. Decision Making Situations/Methods 69
D. SUMMARY 79
IV. THE SURVEY AND DATA ANALYSIS 82
A. INTRODUCTION 82
B. THE SURVEY 82
1. Methodology 82
2. Measures 83
3. Sample Selection 87
C. DATA ANALYSIS 88
1. Technological/Structural Analysis 89
2. Analysis of Decision-making Situations and Decision-making Methods 96
3. Analysis of Comptrollers' General Comments . 101
D. SUMMARY 103
V. CONCLUSIONS AND RECOMMENDATIONS 106
A. GENERAL 106
B. CONCLUSIONS 107
C. RECOMMENDATIONS 109
APPENDIX A: SUMMARY OF TITLE IV 112
APPENDIX B: FUNCTIONS OF COMPTROLLERSHIP 118
APPENDIX C: QUESTIONNAIRE 123
APPENDIX D: COMPTROLLER PROBLEMS 128
APPENDIX E: ADVICE TO NEW COMPTROLLERS 136
LIST OF REFERENCES 148
INITIAL DISTRIBUTION LIST 152

I. INTRODUCTION

A. BACKGROUND/PROBLEM DEFINITION

Comptrollership has traditionally been associated with the technical functions of budgeting, payroll, and accounting, and in addition more recently with the functions of internal control and automated data processing. As once stated by an official of a large U.S. corporation: ". . . . double entry . . . . as a mode of thinking, is perhaps the trained accountant's greatest asset." [1] As indicated in the above quote, the comptroller is often stereotyped as a technician. It is true that an organization of any size cannot be successfully managed in the absence of organized and continuous information flow concerning where the organization stands with respect to planned accomplishments, the operating environment, and actual operational results. It is facilitating this flow of information which is perhaps the most significant function of the comptroller. How the comptroller utilizes the tools available (i.e., human, fiscal and material resources) in facilitating the flow of information is the subject of this thesis.

The vast majority of writings on comptrollership deal exclusively with the technical aspects of the job. It is the contention of this author that such treatment of the subject is insufficient to fully prepare an uninitiated

individual to rapidly transition to the position of comptroller. There is no intention of discounting the requirement for technical skills; however, an understanding of the organizational behavior aspects of comptrollership is also felt to be extremely important. Examples of organizational perspectives of comptrollership which this author judges formal comptroller training to be deficient are aspects of the organizational environment, technological vs. structural relationships, leadership styles, and decision making techniques. Mastery of the organizational skills is generally left up to the neophyte to gain from experience. Needless to say, being thrown into "the trenches" without the proper organizational indoctrination can result in poor adjustment to the new work environment and at the very least a prolongment of the start-up period sometimes known as "the first hundred days." [2]

With the length of a Navy field comptroller's tour of duty presently at two to three years, it becomes obvious that a large percentage of time is spent getting to know the job. This is especially true when the comptroller is a freshly trained "first-timer" with no prior experience on which to draw. That the majority of educational material which deals with comptrollership is aimed at the technical aspects is evidenced in the content of the textbook for the Practical Comptrollership Course at the Naval Postgraduate School. Thirty-four out of five hundred four pages of text deal with organizational issues and the transition into the job. Further

evidence of the lack of organizational emphasis is found in the fact that the financial management curriculum at the Naval Postgraduate School (NPS), the primary source of Navy field comptrollers, requires only one course in organizational management. Other sources dealing with organizational views of management available to the comptroller are the Practical Comptrollership Course (PCC) at NPS (PCC includes one two-hour lecture on organizational behavior in a ten day program), on the job training, and outside educational pursuits.

B. OBJECTIVE

It is a premise of this thesis that successful performance of the comptroller's technical task requires: 1. an ability to manage (as a line manager) his/her own organization, 2. the exercise of judgement in the interpretation, selection, and manner of presentation of information to the Commanding Officer (C.O.). Yet, as indicated above, the author contends that an appreciation of these factors is not adequately emphasized in current training. Therefore, this thesis will present an organizational perspective on actual comptroller practices at Naval field activities. The thesis thus represents an attempt to supplement already available technically-oriented materials with managerially oriented materials in order to improve the preparation of individuals for their comptrollership roles.

C. GENERAL APPROACH, METHODOLOGY AND SCOPE

The field of organizational theory is too vast to comprehensively cover in a single thesis; therefore, only a select number of aspects were explored. Although all aspects will affect the comptroller in some way, only structural, technological, environmental, leadership and decision making aspects were examined for this thesis. The principles, theories, and models discussed were taken from various professional journals and books dealing with management and comptrollership. Comptroller of the Navy directives provided the basis for the model depicting the formal functions of the Navy field comptroller. Data concerning the structural characteristics and management techniques utilized in actual comptroller organizations were gathered by means of a questionnaire completed by field comptrollers at various Naval activities throughout the continental United States. The purpose of the questionnaire was to gain insight into actual comptroller operations within the Navy which may prove useful to the inexperienced comptroller. The results of the questionnaire were then compared with the model discussed in Chapter III and conclusions drawn and presented.

D. THESIS CHAPTER SUMMARY

Chapter II defines comptrollership and presents a brief history of comptrollership in the United States Navy. The formal functions of the Navy comptroller are described and

and several philosophical viewpoints of general comptrollership from both the public and private sectors are presented.

Chapter III describes comptrollership as a mature formal organization within the Navy. A model of comptrollership is presented which depicts how management of the organizational resources available to the comptroller can affect his/her ability to function as prescribed by higher authority. The model is based on the organizational environment and structure, the comptroller's selection of a leadership style, and decision making methods and situations. The model is intended to be used by the new comptroller to facilitate the start-up process by facilitating rapid organizational analysis and indicating courses of action. In building the above mentioned model, various theories from published organizational literature are presented.

Chapter IV discusses the methods employed in testing the model including the survey and statistical analysis.

Chapter V covers conclusions which were drawn from analysis of the data and a discussion of how the model can best benefit the new field comptroller.

II. COMPTROLLERSHIP DEFINED

This chapter defines comptrollership and presents a brief history of comptrollership in the United States Navy. The formal functions of the Navy comptroller are described and several philosophical viewpoints of general comptrollership from both the public and private sectors are presented. The chapter commences with a discussion of two optional spellings and pronunciations of the word "comptroller" which are presently utilized and can cause confusion if not clarified.

A. "COMPTROLLER" OR "CONTROLLER": MORE THAN A MATTER OF SPELLING

A leading textbook on Management Control states, "In some organizations, the word is spelled 'comptroller,' but this is an erroneous spelling, with no basis in etymology, and is, in any event, pronounced as if it were spelled 'controller.' (Pronouncing it 'compt. . .' is incorrect.)" [3] Although "controller" is the correct spelling and pronunciation, a brief discussion of the two forms of the word is in order since "comptroller" is most often used when referring to the public sector.

The word controller gets its derivation from the Latin contrerole which means one who checks against another or an official who checks on other officials. The Ancient French adopted the word and altered its spelling to contre-rolle

which is defined in Webster's Third New International Dictionary as "copy of an account, or counter register." An official who checked against the accounts of another could logically be called a countre-roller. [4] The English picked up a form of the French spelling of the word as far back as the 13th century as evidenced by Murray's New English Dictionary's reference to a 1292 English publication in which the word is spelled contre-roullour. The evolution of the spelling "controller" followed and held until the appearance of the spelling "comptroller" in the 16th century. The change of the spelling is attributed to the scribes of the day who felt that their jobs were more accurately described by the French verb "compte," meaning to account or count, rather than "contre," meaning against. [5] The term "comptroller" came to the U.S. during the colonization and has survived to this day in government organizations.

In summary, although the two forms of spelling/pronunciation evolved from different perspectives on the task of the comptroller (i.e., to account or to check against another), today's use is a matter of preference. For reasons unknown to this author, the public and private sectors cannot agree on which form is appropriate, so both are utilized. Only "comptroller" will be utilized in this thesis for the sake of continuity.

B. HISTORY OF COMPTROLLERSHIP IN THE NAVY

1. Brief Evolution of Federal Treasurer and General Accounting Office (GAO)

The Office of Controller was established by an Act of the Continental Congress on September 26, 1778 which replaced the Treasury Office of Accounts with a Comptroller, Auditor, Treasurer, and six Commissioners of Accounts. The administrative scheme of the government was altered several times prior to September 2, 1789 when the Treasury Department was established. The Secretary of the Treasury, who served at the pleasure of the President, became the general manager of governmental finance. Besides the Secretary, the new Treasury Department also consisted of the Register, Auditor and Comptroller. In addition to "exercising a review over the Auditor and serving as a check upon the Secretary, the duties of the Comptroller specifically were:"

> to superintend the adjustment and preservation of the public accounts, to examine all accounts settled by the Auditor, and to certify the balances arising thereon to the Register; to countersign all warrants drawn by the Secretary of the Treasury, which shall be warranted by law; to report to the Secretary the official forms of all papers to be issued in the different offices for collecting the public review, and the manner and form of keeping and stating the accounts of the several persons employed therein. He shall . . . . direct prosecutions. . . . for debts that are, or shall be due the United States. [6]

For many years, confusion existed concerning lines of responsibility due to continuous changes in the organizational structure of the Treasury Department until the Dockery Act became effective in 1894. Evidence of this fact is found in

the following quote by J. H. Jackson, "Numerous changes, additions, and deletions occurred over the years, with additional comptrollers, and auditors being appointed, until lines of responsibility became hopelessly confused. A complete reorganization of the Treasury and Accounting offices took place in 1894, when the so-called 'Dockery Act' became effective." [7] Among other refinements, the Act gave the Comptroller the status of an executive officer with centralized responsibility for the administration of all public accounts. Further developments introduced to government administration included accounting methods such as double-entry bookkeeping.

In 1921 the Budget and Accounting Act abolished the offices of the auditors and comptrollers which had previously been part of the Treasury Department and replaced them with the General Accounting Office (GAO) which is headed by a Comptroller General. The Budget and Accounting Act intended that the powers of the Comptroller General do not fall under the direction of any other official. The GAO is an arm of the legislature with the Comptroller General appointed for a fifteen year term and not removable except through direct Congressional action.

2. Department of Defense (DOD)

Two world wars in the first half of the twentieth century resulted in accelerated government expenditures which caused concern in Congressional circles. This concern was the motivating force behind the 1947 establishment of the Commission

of Organization of the Executive Branch of the Government, which became known as the first Hoover Commission. In its report to Congress in 1949, the Commission stated: "the budget and appropriation process is the heart of the management and control of the executive branch." [8] In effect, the Hoover Commission resulted from Congressional concern about fiscal matters within the executive branch of the government.

This Congressional concern was carried over into Title IV of the National Security Act Ammendments of 1949 which is commonly thought of as the commencement of serious Congressional attention directed at financial management in DOD. [9] In the same year as the Hoover Commission report, 1949, Title IV was enacted which established the office of the Assistant Secretary of Defense (Comptroller) and required a comptroller in each of the three branches of the military. Title IV was officially called "Promotion of Economy and Efficiency Through Establishment of Uniform Budgetary and Fiscal Procedures and Organization." [10]

Prior to the passage of Title IV, however, the Navy had fully recognized the importance of financial management. For example, the Office of Budgets and Reports in the Navy had, since 1941, a function of budget preparation and execution. As early as 1946, the Navy had recommended to Congress the adoption of a revised appropriation structure along program and performance lines. As a result of prior accomplishments

in financial management, the enactment of Title IV concerned the Department of the Navy (DON) primarily in the following areas:

- Bringing together and integrating within one organization the various fiscal functions being performed at different organizational locations throughout the Department;
- Implementing functions where relatively little progress had been made, such as internal auditing and the establishment of working capital funds at industrial type or commercial type activities;
- Improving policies and procedures in all areas of financial management;
- Placing increased emphasis on the analytical and interpretive functions of comptrollership as a service to management. [11]

The responsibilities of the comptrollers as outlined in Title IV include budgeting, accounting, statistical reports, and internal auditing. In addition, performance budgets, working capital funds (industrial and stock), and the Navy management funds were established within the Navy. Since Title IV has had such a significant impact on the functions of the comptroller in the Navy, a summary of each section is provided in Appendix A.

In summary, due to Congressional interest in fiscal management throughout the executive branch and the DOD, Title IV of the National Security Act Amendments of 1949 was enacted to promote uniform budgetary and fiscal procedures throughout the DOD. The procedures required by Title IV are intended to result in greater efficiency and economy in government. Such are the goals of the Comptroller.

3. Department of the Navy (DON)

As a step in implementing Title IV, the Secretary of Defense (SECDEF) encouraged participation from his service secretaries concerning the formulation of criteria for the different service comptroller organizations. The Secretary of the Navy (SECNAV) took exception to the initial draft by the Comptroller of DOD in 1949 concerning the degree of management control involved in the function of comptrollership. It was the contention of SECNAV that there is no command or management authority inherent in the job of the comptroller and that the role of such an officer should be one of staff only which serves/advises the line management in the area of financial management.

SECDEF agreed with SECNAV's assessment of the staff function and clarified the budget and fiscal functions of the comptroller in a 1950 memorandum. The significance of the above events is that the Secretary of the Navy had gone on the record defining comptrollership in the Navy as strictly a staff function which exists to serve line management with regard to fiscal matters. More will be said concerning the line/staff issue later in this chapter.

On June 1, 1950, SECNAV established the Office of the Comptroller of the Navy (NAVCOMPT). This act marked the formal implementation of Title IV within the Navy. Since the initial implementation, comptroller organizations have been established at the following types of organizational entities within

the Navy: Bureaus and major offices, naval shipyards, naval district headquarters, naval supply centers, research laboratories, major educational and training facilities, naval stations, naval ordnance plants, ammunition depots, and many other types of installations. Other developments in the Navy since 1950 which concern the comptroller include program budgets, working capital and management funds, improved accounting practices and better use of the budget process in making decisions as prescribed by Title IV.

On October 4, 1954, Congress passed legislation which created positions for two new assistant secretaries to be added to the staff of SECNAV. One of the new Assistant Secretaries was to be designated Assistant Secretary of the Navy for Financial Management (ASECNAV-FM) and was to act as Comptroller of the Navy (NAVCOMPT). Thus, for the first time, the Navy was to have a position solely dedicated to the function of comptrollership at the SECNAV level, a position which had formerly been held on a collateral basis by the Assistant Secretary of the Navy for Air.

4. Initial Policy

The policy of SECNAV concerning the functions of comptrollership in the Navy was first published in 1953 as the text of SECNAV Instruction 5400.4 which has since been incorporated in the Comptroller of the Navy (NAVCOMPT) Manual Volume I. A summary of the policy aspects are quoted below:

- Navy management under Comptrollership would include an emphasis on analysis and interpretation (rather

than a mere recording and recital of facts), the utilization of data from all levels to improve the process of budget formulation and assistance to the Commanding Officer by providing him with coordinated and integrated data.

- Comptrollership was added as a basic function for the operation of an integrated system for financial management.
- The structure of Comptrollership organizations should be modified to fit local requirements. However, to maximize the value of staff services, the Comptroller should report directly to the Commander of the activity.
- The effectiveness of performance by a Comptroller would be measured by the assistance given to the Commanding Officer for the timely, efficient and economical execution of the mission.
- The proper performance of Comptrollership would provide the Commanding Officer with more time for the areas of program direction, decision and policy formulation.
- The Comptroller must be responsive to management needs and anticipate the requirements of the future.
- Comptroller organizations would be established throughout the Navy including major field activities. [12]

From 1778 to the present, the office of a comptroller has existed within the government of the United States. Although the title has remained unchanged over the past two hundred two years, the functions and importance have undergone a rather extensive metamorphosis as described in the preceding paragraphs. The following section will delve into the current day functions of the field of comptroller within the U.S. Navy.

C. FUNCTIONS OF FIELD LEVEL COMPTROLLERSHIP

The previously mentioned NAVCOMPT Manual is the basic guidance which delineates the formal functions of the comptroller

in the Navy at all levels. Chapter 2 of Volume I, section 012202, of the manual describes the elements of comptrollership as practiced in the Department of the Navy as follows:

- emphasizing the constructive aspects of the reporting, analysis, and interpretive functions as distinct from the purely recording functions;
- improving budget formulation and execution through the collection and utilization of accounting and program data at all organizational levels;
- coordinating and integrating the several comptroller functions to provide concisely to the commanding officer the basic data essential for efficient, economical, and effective management.

The basic functions of comptrollership within the Navy are: 1. maintenance of an integrated system for financial management; 2. budgeting; 3. accounting and disbursing; 4. program analysis; 5. progress reports and statistics; 6. internal review. These functions as they exist today are described in the NAVCOMPT manual, Volume I, Chapter 2, article 012100 and are repeated in Appendix B.

In order to adequately understand the organizational aspects of comptrollership, such as its technology, structure, and environment, this author feels that a basic knowledge of the requirements placed on the comptroller is essential. Therefore, Appendix B sets forth a foundation for the study of comptrollership from an organizational point of view by listing the various functions of the comptroller as promulgated in the NAVCOMPT Manual. Specific accounting, financial and budgetary systems and tools required by the DOD and the DON for

the comptroller to accomplish these functions are not the subject of this thesis. (A review of the specific tools can be found in Practical Comptrollership Course (PCC) Student Text used at the Naval Postgraduate School in conjunction with the two week Practical Comptrollership Course, Financial Management in the Navy published by the Naval Education and Training Command, and the NAVCOMPT Manual.

D. COMPTROLLERSHIP - VIEWPOINTS AND PHILOSOPHIES

Since the birth of comptrollership in the Navy, literature on the subject has consistently opened with the declaration that comptrollership is a staff function with no line authority. The comptroller reports directly the the commanding officer in an advisory capacity. A literal interpretation of the functions of the field comptroller listed in Appendix B could lead one to assume that the staff function involved can be performed by a technician. The function of advisor to the C.O. could appear to require little managerial expertise. In effect, the absence of line authority could be felt by some to preclude the need for managerial skills.

Literature in the private sector, such as Practical Controllership by Anderson, Schmidt, and McCosh, has begun to contest the "staff only" philosophy attached to the function of comptrollership as witnessed in the following quote:

> The most obvious evolutionary development in recent years is the growing tendency to reorient the functions of the controller and that of the treasurer and sometimes the

secretary, through the use of the new job title Vice President-Finance. [13]

One possible explanation for this trend is a recognition by higher authority that, in addition to the staff function as an advisor to top management, the comptroller exercises line authority over the financial organization. Organizational relationships exist within the comptroller's department which require managerial expertise in addition to technical abilities.

Another way of interpreting the staff function of comptrollership is to examine the power inherent in the advisory function. For example, in addition to collection and reporting of information, the comptroller analyzes and interprets information and its significance for the line manager, all of which directly contributes to the line manager's actions. By extension, the analysis and interpretation activities of the comptroller involve decision-making, which has a potentially significant impact on the organization.

Parallels to the above discussion are evident in the Navy, as expressed in the following passage from the PCC Student Text:

> In addition to directing the internal operations of his own organization, the comptroller has a responsibility for interpreting program and fiscal data, and acting as a technical advisor to command authority on the financial aspects of operations. Accordingly, he must be responsive to the needs of management and must anticipate the future requirements of current programs, with the aim of assisting management in achieving program objectives with economy and efficiency. [14]

It is possible for a comptroller to play it safe by managing the day to day financial operations of the command without seeking new ways to improve efficiency or providing innovative advice to the Commanding Officer (i.e., new approaches in departmental budgeting). However, it is this author's opinion that, by behaving that way, a comptroller is apt to be quickly forgotten by a Commanding Officer who may look elsewhere for meaningful interpretations and guidance concerning things he may not fully understand.

A former Assistant Secretary of Defense made the following observation:

> . . . . as we face a likely future of even more restrictive budgets, comptrollers will necessarily be spending more of their time and talents in the stewardship aspects of comptrollership - researching new, simpler, less expensive financial management tools; finding ways to motivate managers to save money, rather than spend it; devising data presentation devices that better measure and show actual performance against plan.
>
> Financial management problems are very seldom just budget problems, or just accounting problems, or just ADP problems. Financial management is a seamless discipline and comptrollers who are only budgeteers or only accountants cannot give their top management full support. The really effective comptrollers can think and talk intelligently about all kinds of financial management matters. [15]

Although the private sector has shown signs of broadening the line responsibilities of the comptroller, this author feels the comptroller in the Navy remains a staff person, albeit with line managerial responsibilities within the comptroller's department.

> In some government agencies, this tendency for the controller to assume line responsibility became quite

> strong in the 1940s and 1950s. This was usually a consequence of top management's reluctance to accept overall responsibility. The controller, or more specifically the "budget officer," was permitted to make many decisions regarding the allocation of resources. With the "power of the purse," the budget officer became one of the most powerful persons in the organization. It has been said that in some large military installations, the Commanding Officer was principally in charge of ceremonies, and the real boss was the budget officer. With the current tendency to select a good manager as the Number One person, the role of the budget officer has, fortunately, become more like the staff role that it should be.
>
> When the controller or budget officer assumed the role of a line manager, the control system was usually designed to facilitate the controller's own work. Such a system slighted the needs of operating managers; that is; it did not provide them the information necessary to do their jobs. Consequently, operating managers created their own informal information systems - called a "desk drawer set of books" - because the data were kept there rather than in formal accounting records. All in all, this was not a good situation, and the practice is dying out. [16]

In addition to the staff responsibilities the comptroller has with respect to relationships with the commanding officer and line responsibilities within the comptroller's own department, the comptroller has links to other departments within the command such as Public Works and Supply. Education and training, including policy guidance, and dissemination of information concerning departmental financial matters will head the list. Of primary importance to the comptroller is the proper preparation, execution, and status of departmental budgets.

Funding climate (i.e., abundance or scarcity of Congressionally appropriated dollars allocated to the activity) and current financial philosophies of the commanding officer such as

budgeting techniques or spending authority need to be communicated to the various department heads of a command. This is necessary if the department head is to be expected to make financial decisions in accordance with the fiscal policy of the command.

The PCC Student Text makes the following points concerning the comptroller's relations with others within the command.

The ties which the comptroller must maintain with the other department heads of the command will require tact, diplomacy, and goodwill. Making recommendations to the Commanding Officer regarding other departments as a result of Internal Reviews or Management Analyses can cause undue resentment from the department heads concerned. Therefore, such recommendations should be made with the understanding and cooperation of the effected department head. In this regard, personal tact is a primary attribute of a successful comptroller. Also, communications are sometimes hindered by department heads unfamiliar with financial matters, who are reluctant to get involved due to unfamiliarity with terminology. [17] It is possible for the comptroller to break down this communications barrier by using lay terminology when dealing with those unfamiliar with financial jargon.

E. SUMMARY

This chapter presented a brief history of comptrollership in the Department of Defense and in the Navy. The Office of

the Comptroller was established in the U.S. Government by an Act of the Continental Congress on September 26, 1778 which replaced the Treasury Office of Accounts with a Comptroller, Auditor, Treasurer, and six Commissioners of Accounts. In 1894 the Dockery Act became effective which gave the Comptroller the status of an executive officer with centralized responsibility for the administration of all public accounts. The 1921 Budget and Accounting Act abolished the offices of the Auditors and Comptrollers which had previously been part of the Treasury Department and replaced them with the General Accounting Office (GAO) which is headed by a Comptroller General.

The first Hoover Commission in 1949 resulted from Congressional concern about fiscal matters within the executive branch of the government. The report of the Hoover Commission led to Title IV of the National Security Act Amendments of 1949 which established the offices of the Assistant Secretary of Defense (Comptroller) and required a comptroller in each of the three branches of the military. Title IV was intended to promote uniform budgetary and fiscal procedures throughout the DOD. On June 1, 1950, the Secretary of the Navy established the Office of the Comptroller of the Navy (NAVCOMPT), thus formally implementing the provisions of Title IV within the Navy. On October 4, 1954, Congress passed legislation which created positions for two new assistant secretaries to be added to the staff of SECNAV. One was

designated Assistant Secretary of the Navy for Financial Management and was designated to act as NAVCOMPT. Thus, for the first time, the Navy was to have a position solely dedicated to the function of comptrollership at the SECNAV level.

In order to understand the behavioral aspects of the comptroller's organization, it is felt by this author that a basic knowledge of the requirements placed on the comptroller is essential. Therefore, a comprehensive description of the functions of the field comptroller within the Navy is presented in Appendix B.

The remainder of Chapter II dealt with several philosophical viewpoints concerning comptrollership. The debate over whether or not comptrollership is a line or staff function was discussed. Additionally, the comptroller's need of managerial skills and competence in organizational dynamics was discussed.

The remaining chapters will present and discuss an organizational model of comptrollership which can be utilized by the new comptroller to facilitate the start-up process.

III. ANALYSIS MODEL FOR COMPTROLLERSHIP

The purpose of this chapter is to present several organizational theories which are pertinent to the comptroller's organization and combine them into a model of comptrollership. The resulting model, which will be referred to as the "comptrollership model," will be useful to the new comptroller in initially getting settled into the job by offering a frame of reference through which to size up the organization and place emphasis where it is most needed. The chapter sets the foundation for the model by first defining the formal organization and then fitting comptrollership into the framework.

A. THE ORGANIZATION

In order to discuss the typical comptroller organization, a definition of organizations in general is in order. Organizations have been described as work-performing and problem-solving systems consisting of components, structures, and technologies. [18] Some of the components of the comptroller organization in the Navy are the people involved and the various ledgers, forms and equipment such as data processing hardware. The structure of the comptroller organization is the way the components or elements are ordered and coupled. The Navy operates under a standardized formal structure; however, often informal structures exist for expediency which tend to circumvent the formal structure established by higher authority.

With regard to this model, technology is defined as the application of knowledge to perform work. [19] The foregoing definition can be further expanded to include the application of knowledge to solve problems, which is the second objective of the organization as previously defined. Perrow (1966) defines technology as ". . . . the actions that an individual performs upon an object, with or without the aid of tools or mechanical devices, in order to make some change in that object." [20]

B. ORGANIZATIONAL EVOLUTION

1. Evolutionary Model

Organizations generally evolve in a pattern which can be described using a model developed by Katz and Kahn. [21] It is felt by this author, as well as by Katz and Kahn, that an organization's position in the evolutionary cycle may have an influence in its behavior (e.g., objectives, quality control emphasis, training philosophy). Therefore, the evolution of the comptroller organization will be described utilizing the Katz and Kahn model in order to determine its position in the evolutionary process and thus what factors motivate the organization.

The evolution model consists of three stages of development for organizations: 1. the primitive stage, 2. the stable organization stage, 3. the elaboration of structure stage. The previous discussion of the evolution of

comptrollership in Chapter II will be referenced with regard to this analysis of organizational development.

2. The Primitive Stage

The primitive stage is characterized by people with a common need or an environmental need which results in an organization producing whatever is required to fulfill that need. An example is the formation of numerous private secondary and elementary schools throughout the United States in the late 1960s and early 1970s. The common need was among parents of white children who opposed bussing or possibly school desegregation in general. The primitive stage of the development of the comptroller organization within the Navy is marked by the passage of Title IV of the National Security Act Amendments of 1949 which, as previously mentioned, was the commencement of serious Congressional attention at financial management in the DOD.

3. The Stable Organization Stage

Stage two of the Katz and Kahn evolutionary model, "the stable organization stage," deals with a concept known as technical rationalization. Technical rationalization is the result of using cause and effect knowledge to produce a product or service. A further expansion of the idea of technical rationalization would be to take measures which would result in routinization and control of the process. Inherent in the idea is the notion of control and prediction.

As the primitive system operates, changes will evolve as a result of an increased need for performance reliability. Managerial supervision takes hold and tends to fine tune and tighten the production system. Following this tightening process, the model calls for a maintenance structure which consists of training, selection of people, and a rewards/ punishment system.

An example of the stage two fine tuning system within the Navy comptroller organization can be found in SECNAV's interpretation of the comptroller's basic authority: line vs. staff. The importance of tighter control over the various comptroller organizations within the Navy was evidenced by the 1954 Congressional legislation which created a full time Assistant Secretary of the Navy for Financial Management who was designated to act as Comptroller of the Navy (NAVCOMPT).

Emphasis on training within the comptroller organization is evidenced by the fact that future field comptrollers in the Navy normally attend the Financial Management program at the Naval Postgraduate School (NPS) at Monterey, California. NPS also offers a two week Practical Comptrollership Course which is attended by most budget and accounting officers as well as by field comptrollers. The lengthy waiting lists for these courses of instruction are indicative of the emphasis placed on training.

One final aspect of comptrollership relating to stage two is the recent emphasis on internal auditing. Although

internal control is not a new function of comptrollership, it has recently received renewed emphasis due to the need for tighter efficiency and economy in operations.

4. The Elaboration of Structure Stage

The final phase of the evolutionary model is the "elaboration of structure stage" which deals mainly with changes caused by environmental forces. The need to remain current with respect to environmental changes (e.g., energy crisis, population growth) is a prerequisite for the continued operation of an organization. Changes in the environment can trigger shifts in the organization's make-up, procedures, and possibly even objectives. As a result of this phenomena, mature organizations in phase three are increasingly interested in keeping abreast of environmental change and needs with the aid of research and development programs as well as management consultants and analysts.

Buffers, both input and output, tend to be created within mature organizations in order to smooth out the inputs/outputs of the organization, thereby causing minimal disruption as the environment changes. Thompson offers the following propositions and explanation of the buffering process in a changing environment:

> Perfection in technical rationality requires complete knowledge of cause/effect relations plus control over all of the relevant variables, or closure. Therefore, under norms of rationality (Prop. 2.1), organizations seek to seal off their core technologies from environmental influences. Since complete closure is impossible (Prop. 2.2), they seek to buffer environmental influences

by surrounding their technical cores with input and output components.

Because buffering does not handle all variations in an unsteady environment, organizations seek to smooth input and output transactions (Prop. 2.3), and to anticipate and adapt to environmental changes which cannot be buffered or smoothed (Prop. 2.4), and finally, when buffering, leveling, and forecasting do not protect their technical cores from environmental fluctuations (Prop. 2.5), organizations resort to rationing.

These are maneuvering devices which provide the organization with some self-control despite interdependence with the environment. But if we are to gain understanding, we must consider both in the direction toward which maneuvering is designed and the nature of the environment in which maneuvering takes place. [22]

With regard to a naval command's comptroller organization, the command, the Navy, or the Department of Defense can be looked upon as representing a primary environment. With this in mind, an example of stage three organizational evolution with regard to the comptroller organization is the shift back to the idea that comptrollership should be a staff rather than a line function. As discussed in Chapter II, these shifts were related directly to the needs and changes of the "environment" as defined.

An example of an input buffer in the comptroller organization is the pool of educated and trained people within the Navy with the expertise to effectively run the organizations. The Navy is well suited for this form of buffer due to the requirement to have so many of its people on sea duty. At any time, personnel shifts can be effected to fill any gaps in expertise at almost any level. At least theoretically this

is the case. Personnel shortages presently being experienced will diminish the effectiveness of the buffer.

Output buffering is evident in stockpiling of materials, cubby-holing unneeded personnel during slack periods, and contingency funding. Although not formally authorized, the preceding practices do occur. Various sub-organizations such as the accounting division, ADP division, or special reports division also tend to serve as output buffers for the overall comptroller organization.

This section described the comptrollership organization with respect to the Katz and Kahn evolution model for organizations. Comptrollership in the Navy was described as being in the third phase of organizational evolution, the "elaboration of structure stage," in which the organization is quite sensitive to environmental change. The new comptroller should be aware of this sensitivity and how to contend with it utilizing such methods as buffering as described.

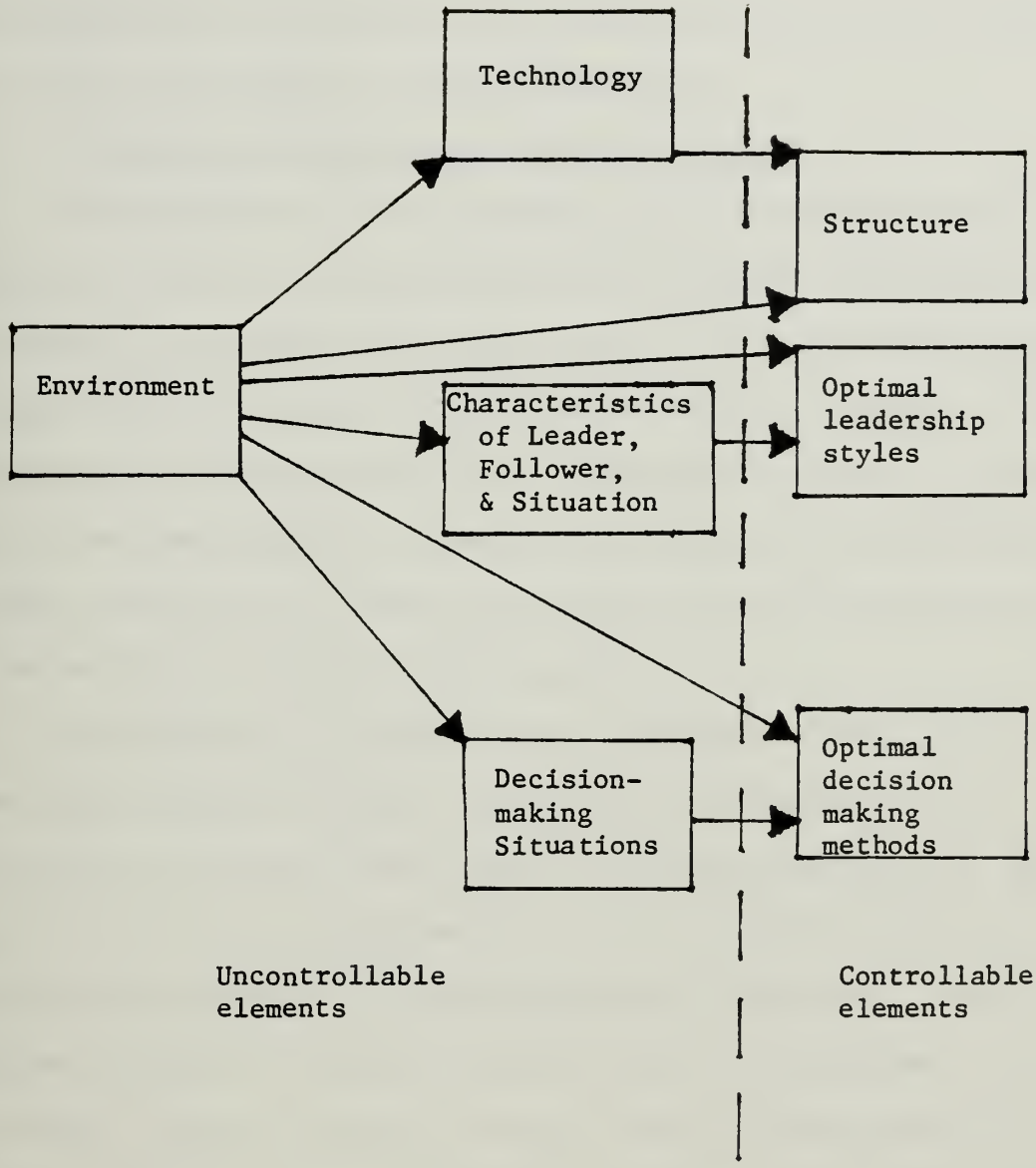
C. THE MODEL

1. General

As stated in the introduction, the objective of this thesis is to examine field comptrollership in the Navy from an organizational point of view with emphasis on the "start-up process" for the new comptroller. Having described comptrollership from an historical perspective as well as its development as a formal mature organization, a model representing how

various organizational variables affect the comptroller's organization will now be presented. The model, referred to as the "comptrollership model," is not intended to be all encompassing. It will tie several organizational/structural aspects of Navy comptrollership into a conceptual scheme to be used by the neophyte comptroller in lessening the trauma of the initial months on the job. The comptrollership model was derived from a combination of organizational behavior theories which will be individually reviewed.

Basically, the model states that optimal structural characteristics of the organization (such as span of control or centralization can be determined from a study of the organization's technological and environmental characteristics; that optimal leadership styles can be derived from an examination of individual characteristics of the leader, the followers and the situation; and that appropriate decision making methods are associated with different environments of decision making. The overall operating environment is considered to have both direct and indirect effects on all other variables in the model. Figure 3-1 illustrates the comptrollership model. Prior to applying the model to the comptrollership organization, the various components of the model require clarification and definition. The effects of the operating environment will be discussed in conjunction with each of the other three segments of the comptrollership model. The elements to the left of the vertical dotted line are considered to be



COMPTROLLERSHIP MODEL

Figure 3-1

uncontrollable in the short-term while elements to the right are considered by the model to be controllable by the comptroller in the short-term in most situations.

2. Technology/Structural Characteristics

The purpose of this section is to introduce several conceptual models of organizational structure and technology to acquaint the reader with the types of forces within organizations which contribute to optimum structural design. Before proceeding with the discussion of structure, a brief description of the technology of comptrollership will be presented in order to provide a frame of reference for the analysis of the technology/structure relationship.

Technology is described by Rousseau (1979) as having three major phases: input, conversion, and output. [23] As previously mentioned, the output of comptrollership is in the form of a service to management. It can take the form of budgeting information, accounting/control services, reports, feedback, financial advice, ADP services, or internal auditing assistance. Output buffers control the flow and quality of the outputs. Inputs to comptrollership include the basic theories of accounting and financial management, modern techniques, people, and equipment. As with output, buffers exist to control flow and quality on the input side. The conversion process can be described as some process which adds something to the inputs for some purpose. [24] In this case, the conversion process is the practice of accounting, budgeting, reporting, and auditing

for purposes of providing a service to the command in the form of financial management and fiscal information/advice.

The "old school" of ideas concerning structural design of organizations was dominated by such theorists as Fayol, Gulick, Urwick, and Mooney who were prominent in the early twentieth century. What these writers had in common was an emphasis on economy and technical efficiency in organizations without concern for the human animal. Their primary concern in the human area was with man's "limited intellectual capacity," which was dealt with through division of labor. [25] The basic idea was that man was motivated by money alone.

The belief that humans are motivated by a single need and that organizations can be structured around such an idea has been disputed by theorists such as J. Thompson, T. Burns, G. M. Stalker, C. Perrow, J. Woodward, J. Lorsch, and P. R. Lawrence. The findings of the above named behavioral scientists, among others, will be cited in the following paragraphs in order to clarify how numerous technological and environmental factors can influence the optimal structure for an organization. A common thread through each of the theories is the influence of human inputs and tasks on choices of organizational design.

a. Thompson

James Thompson argues that strategy and structure are affected by technological variables in an organization. [26] In developing this theory, Thompson divided technologies into three types: the long-linked technology, the mediating

technology, and the intensive technology. [27] According to Thompson, the way in which coordination and control are optimally achieved results from the type of technology and the type of interdependence the technology requires.

The long-linked technology is one which converts input into output through a series of operations, each related to the next in a fixed sequence. An example of this type of technology is the assembly line. The latter steps are dependent on the successful performance of the former, but not vice versa. Thompson calls this "serial interdependence." Coordination is achieved through plans.

A mediating technology is one which links together clients who desire to engage in a common venture but wish to remain independent of each other. Examples of this type of technology are telephone utilities, insurance companies, the postal service, and banks. Although the clients involved with the mediating organization remain independent, they must act in a manner which is compatible with each other. At the same time, the mediating organization must behave in a standardized fashion. Thompson calls the interdependence among parts of this type of organization "pooled interdependence" which is characterized as a situation in which "each part renders a discrete contribution to the whole and each is supported by the whole." [28] Coordination is achieved by standardized procedures and impersonal rules.

The intensive technology is commonly found in organizations such as hospitals, research laboratories, and some engineering firms. The organization contains a variety of skills and equipment. The manner in which these will be utilized is unknown until a problem arises. An example of this is the hospital emergency room. The way in which the technology available will be utilized is totally dependent on the needs of the patient. This type of organization is primarily interested in the ability to meet contingencies with effectiveness, not necessarily efficiency. Coordination in this situation of reciprocal interdependence is achieved through mutual adjustment or feedback. [29]

Thompson, therefore, is saying that the formal structure of an organization, and in particular, the coordinating mechanisms, are variable and depend upon the nature of the core technology. [30]

Field comptrollership in the Navy fits most closely the mediating technology described by Thompson. For example, if the comptroller is to receive funds with which to operate, the funds must be provided by an independent source known as a major claimant. The comptrollership organization must operate in a standardized fashion and observe rules and regulations with regard to budgeting and accounting functions in order to provide coordination in this situation of pooled interdependence. The work of Burns and Stalker (1961) further builds

on this idea with respect to how the organizational structure is influenced by the environment. [31]

b. Burns and Stalker

Burns and Stalker studied industrial firms in the United Kingdom to determine what effect the environment, in particular the rate of change in technologies and markets, has on how the companies were managed. [32] The results of the study concluded that methods of management and structure within firms studied depended on certain "extrinsic factors," and that:

> These extrinsic factors are all, in our view, identifiable as different rates of technical or market change. By change we mean the appearance of novelties; i.e., new scientific discoveries or technical inventions, and requirements for products of a kind not previously available or demanded. [33]

Burns and Stalker divided management systems into two types which are effective for organizations in different environmental situations: organic systems and mechanistic systems of management.

The organic system of management is one which is loosely controlled and in which individual tasks are continually redefined to fit the organizational objectives. Members of the organization are totally committed to the task and freely communicate both horizontally and vertically. The center of knowledge concerning an objective is not necessarily located at the top of the hierarchy but could be anywhere. Vertical communications within the organization consist more of consultations rather than commands. Workers are more concerned about the

task at hand and the technologies involved than they are with loyalties to the organization and obedience.

The mechanistic system, on the other hand, utilizes a formal hierarchy to control various functional tasks of the organization. Each functional role is precisely defined by rules and regulations. The location of knowledge is generally located at the top of the organization and communications between members of the organization tend to be vertical. Operations are generally controlled by set procedures, and loyalty/obedience to superiors is required.

Burns and Stalker concluded that the rate of change in the firm's environment determines which management system the successful firm will adopt. [34] For instance, the firm in the rapidly changing environment (changing technology and market structure) will tend to move toward the organic system. On the other hand, the firm in the stable environment will adopt the mechanistic system of management. [35]

It is a proposition of this thesis that the environment (i.e., the technology and market structure) of the comptrollership organizations of the Navy is essentially stable and that therefore a mechanistic system of management is appropriate. This propositon was tested, and the results are presented in Chapter IV and V. Knowledge of this environment/structure relationship should aid the new comptroller in understanding optimal systems of management under different degrees of environmental flexibility.

c. Woodward

Joan Woodward, a prominent British behavioral scientist began a study in 1953 which resulted in evidence of systematic relationships between technology and organizational structure. Her study involved a sample of one hundred business firms of South Essex, England. The firms were divided into three major groups according to complexity of technology as follows:

1. Unit and small batch production, such as custom built cars.
2. Large-batch and mass production, such as mass produced cars.
3. Long-run process production of the same product, such as chemicals. [36]

As shown in Figure 3-2, successful process-production firms tended to have longer chains of command and narrow spans of control. The two extremes, process and unit batch production firms tended to display informal organizations and narrow spans of control with no distinction between line and staff while the middle type or large-batch/mass production firms displayed basically opposite trends from those at the extremes.

In addition, organic systems of management tended to be dominant in the firms at the extremes, while mechanistic systems prevailed in the middle ranges. [37] Jobs also tended to be more specialized in the mass production firms.

Within a few years of the Woodward studies, the results were disputed by a group from the University of Aston

Technological Characteristics	Unit and Small-Batch Production	Large-Batch and Mass Production	Process Production
Lower levels	Informally organized narrow spans of control	Organized by formal process; wide spans	Organized by technological task demands & narrow spans of control
Higher levels	Informally organized; no distinction between line and staff	Organized by administrative processes with line-staff separation	Informally organized; no distinction between line and staff
General characteristics	Few levels; narrow spans of control; low "organizational consciousness"; no clear chain of command; low ratio of administrative to non-administrative personnel	More "organizational consciousness"; more clearly defined positions; clear chain of command	Many levels; less "organizational consciousness"; high ratio of admin to nonadmin personnel

Summary of Woodward's Research Findings on the

Organizational Structures of Successful Firms

Source: Gary Dessler, Organizational Theory: Integrating Structure and Behavior, (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1980), p. 72.

Figure 3-2

in Birmingham, England which was unable to duplicate the findings. The Aston group contended that the size of an organization, not its technology, was the main determinant of organizational structure. [38] Later, however, a study by Peter Blau found that, although the Aston study was correct in that there was no linear relationship between technology and structure, a curvilinear relationship did exist; that is, a "∩" relationship in correlations existed only at the extremes. [39]

Although firms included in the Woodward, Aston group, and Blau studies were industrial production organizations, it is felt by this author that the technology/structure relationships could be extended to service type organizations such as comptrollership. It is the contention of this author that comptrollership is analogous to the large-batch/mass production firms of the Woodward study which are characterized by fairly standardized products, predictable production steps, some unpredictability and product variations. [40] This research will test how closely comptrollership organizations correspond to large-batch/mass production firms as described by the Woodward model. Close correspondence would further support that proposition that comptrollership will utilize a mechanistic management system.

d. Rousseau

Denise Rousseau has compiled various sources of behavioral theory pertaining to the technology/structure

relationships which exist in organizations. [41] In a seminar on Technology in Organizations conducted in 1980 at the U.S. Naval Postgraduate School in Monterey, California, Rousseau presented the theories as a matrix which depicts certain technological characteristics of organizations on the horizontal axis and structural characteristics of organizations on the vertical axis. Figure 3-3 is the Rousseau matrix which is her summary of the research literature and indicates first-order correlations (or the lack of correlations) between the various structural and technological characteristics among private sector organizations studied. The technological characteristics listed horizontally are considered to be independent variables fixed by the state of the technology under consideration. The vertically listed structural characteristics are dependent variables which are unique to particular organizations.

The technology variables are descriptive of various characteristics of the three phases of organizations previously discussed: input, conversion process, and output. "Standardization" and "predictability" of the inputs to an organization pertain to materials, funds, or information which flow into the organization. "Routineness" of the conversion process is dealing with the degree to which events are repeated. The "complexity" of the conversion process deals with the degree of sophistication of the actual steps necessary to complete the operation. "Automation" is a variable determined by the degree

STRUCTURE	TECHNOLOGY							
	INPUT: Standardization	Predictability	CONVERSION: Routineness	Complexity	Automation	Use of discretion	OUTPUT: Quality Control	Performance eval.
Span of Control			+	-	+	-		
Levels in Hierarchy	0	0		?	?	0	0	0
Centralization	+	+	+	-	+	-		
Formalization	+	+	+	?	+	-	+	+
Vertical Communication	-	-	-	?	-	+		
Interdependence			?	+	?	+	?	?
Coordination	-	-	-	+	-	0		
Specialization	+	+	+	?	+	-	+	+

Key = + Positive relationship
- Negative relationship
0 No relationship
? Inconsistent results
Blank No research (unknown)

Rousseau's Matrix of
Structure - Technology Relations

Figure 3-3

to which the conversion process is manual or machine operated (e.g., computerized). The "use of discretion" is a measure of how much the lower members of the organization are allowed to make decisions with regard to the day to day operation of the conversion process. Output "quality control" refers to the degree to which the output or product of the organization is checked for accuracy or correctness. "Performance evaluation" is a form of feedback to supervisory management concerning the performance of supervised personnel output.

The first structural variable examined is "span of control" which is the number of personnel supervised by a single supervisor at a particular level in the organization. "Levels in the hierarchy" is a measure of the number of managerial levels, illustrative of the length of the chain of command. "Centralization" is a measure of where decisions are made. Organizations in which decisions are made (and control held) at the top are considered to be highly centralized. If decisions are made further down in the organization, the firm is considered to be more decentralized. "Formalization" is indicative of how much importance the organization places on rules, regulations, and standardized procedures. "Vertical communications" refer to freedom of information flow up and down the chain of command. "Interdependence" is the degree to which different functions within the organization are dependent upon one another. "Coordination" is a measure of how much coordination

is required among different functions within the organization in order for the conversion process to function smoothly. "Specialization" refers to the degree of specialization which is required or exists among the organizational functions.

Although comptrollership within the Navy will differ in many respects from the private sector organizations which comprised the studies depicted thus far, the Rousseau model as applied to comptrollership contends that certain correlations do exist which can be used to predict structural set-ups under various conditions. Rather than hypothesize which relationships might exist for the comptroller, all combinations will be tested in the analysis portion of this thesis and conclusions will be drawn in the final chapter.

e. Perrow

Work done by Perrow (1967, 1970) in the area of technology and structure in organizations takes a different approach than those previously discussed. Perrow categorizes the technologies of organizations along two dimensions as follows: "(1) the extent to which logical, analyzable search procedures can be used in problem solving (along a dimension running from well-defined to ill-defined problems), and (2) task variability (along a dimension ranging from variety in the task to routineness." [42]

Perrow contends that the type of technology of the organization as shown in Figure 3-4 will determine a best suited organizational structure. The structural aspects of

Problem definition	Problem variability	
	Low variability and few exceptions	High variability and many exceptions
Ill-structured (unanalyzable search)	Craft industries (specialty glass)	Nonroutine (aerospace)
Well-structured (analyzable search)	Routine (steel mills)	Engineering (heavy machinery)

Perrow's Classification of
Types of Technologies

Source: Robert A. Ullrich and George F. Wieland, Organization Theory and Design (Homewood, Illinois: Richard D. Irwin, Inc., 1980), p. 91.

Figure 3-4

the organization determined by technology are: "(1) the amount of discretion that can be exercised by high- and low-level staff, (2) the amount of power held by each of these groups, (3) the extent of interdependence between these two groups, and (4) the extent to which these groups coordinate their work using feedback or the planning of others." [43]

Perrow suggested a decentralized structure for the craft technologies due to problems which arise in these industries which require a great deal of low-level decision making, power and feedback. Furthermore, Perrow felt that the routine technologies could best be controlled through plans. This is in line with the previously discussed Thompson theories. Due to the planning function, top management will require more power than in the craft industries which will lead to more centralization. Nonroutine organizations according to Perrow, will function best under a flexible, polycentralized structure due to the variability and exceptions which are common to the technology. Perrow called for a flexible, centralized structure for the engineering organizations. This was because that although these organizations were somewhat variable, they still are typified by logical, analytical search processes which lend themselves well to control by planning. [44]

The technology of comptrollership in the Navy is hypothesized by this author to be of the Routine type described by Perrow (Well-structure/low variability and few exceptions).

This hypothesis will be tested and the corresponding structure analyzed in the final two chapters of this thesis.

f. Lawrence and Lorsch

A final conceptual scheme to be discussed focuses on the relationship between environment and structure. Two concepts central to this framework developed by Lawrence and Lorsch are differentiation and integration. Differentiation is defined as the differences in "cognitive and emotional orientations among managers in different functional departments, and the differences in formal structure among these departments." [45] Integration is "the quality of the state of collaboration that exists among departments that are required to achieve unity of effort by the environment." [46]

According to Lawrence and Lorsch, the amount of differentiation present among units of an organization would be dependent on the certainty or uncertainty of the environment and its diversity or homogeneity. They contend that each unit or subunit of the organization operated within its own unique subenvironment which was characterized by some level of certainty. Whether or not these subenvironments were grouped together or widely dispersed on the certainty/uncertainty scale determined whether or not the environment was homogeneous or diverse. [47] Figure 3-5 illustrates a summary of the relationships the authors found between the certainty of the units' subenvironments and the three unit characteristics by which the units were measured, i.e., extent of formalized

Uncertainty of environmental sector	High	Moderate	Low
Extent of formalized unit structure	Low	Medium	High
Interpersonal orientation	Task	Social	Task
Time orientation	Long	Medium	Short

Relationship Between the Certainty of the Subenvironment a Unit is Dealing With and Three of the Unit Characteristics Along Which Differentiation Is Measured

Source: Jay W. Lorsch, Organizational Structure and Design (Homewood, Illinois: Richard D. Irwin, Inc. and The Dorsey Press, 1970), p. 6.

Figure 3-5

unit structure, interpersonal orientation, and time orientation. For example, it was found that successful subenvironments which were highly uncertain concerning what needed to be done tended to exhibit unit structures which were informal, interpersonal relationships which were task oriented, and a long time orientation with respect to the tasks of the group. At the opposite end of the certainty/uncertainty continuum lie the successful subenvironments which were more certain with respect to what needed to be done. They displayed highly formalized unit structures, task oriented interpersonal relationships and short time orientations. The interpersonal orientation relationship with respect to the certainty/uncertainty continuum is curvilinear; hence, both extremes exhibit task orientations. The middle-ground subenvironments on the certainty/uncertainty continuum tended to have social interpersonal orientations.

Lawrence and Lorsch found in their studies that highly differentiated organizations, those with subenvironments widely dispersed on the certainty/uncertainty continuum, will require some form of outside integrator. [48] This is so because of the extreme differences in the orientations of workers from different subenvironments. For example, in the plastics industry, it is unlikely that a marketing representative would be able to communicate effectively with a research scientist concerning a potential new product. The marketing representative might be concerned with the needs of the customer

while the scientist might be more concerned with pushing the technological state of the art. In order for the goals of the two individuals to mesh with respect to the overall goals of the organization, an integrator is required.

It is the contention of this thesis that comptrollership in the Navy falls at the other extreme of the certainty/uncertainty scale; i.e., homogeneous subenvironments. This is a situation in which all the subunits of the organization (accounting, budget, ADP, internal review) are operating in an environment in which certainty of what is needed is prevalent and individuals from different subenvironments share common goal orientations (e.g., meeting budget deadlines or efficiency in operations). As long as the homogeneity is maintained, integration should be automatic.

It is important for the new comptroller to be aware of where the organization's subunits lie with respect to diversity and homogeneity. In other words, the comptroller can use the theories of Lawrence and Lorsch as a feedback device to read the subenvironments and apply whatever integration is necessary for smooth operation.

Lawrence and Lorsch found two requirements for successful integration. [49] An organization of low differentiation can usually achieve the required level of integration through the management structure or hierarchy. This will provide integration through effective plans and controls.

Organizations with more highly differentiated units will require more elaborate systems to achieve integration, however. Examples are formal integrator positions, integrator teams, or even departments dedicated to integration.

g. Summary

To summarize, this section has presented a variety of theories and models relating how organizational structure can be affected by technology and the environment. The Thompson, Perrow, and Woodward models dealt with technological determinism while Burns and Stalker and Lawrence and Lorsch explored the environmental effects on structure within organizations. Follow-on chapters of this thesis will relate the organization of the Navy field comptroller to the theories discussed in order to increase awareness of the organizational forces which may confront the new comptroller.

The next section of this chapter deals with determinants of the optimal leadership style for the comptroller. The comptrollership model states that a proper leadership style can be selected if certain characteristics of the leader, follower, and situation are known. This hypothesis will be explored in relation to published organizational theories.

3. Leadership Style

The second portion of the comptrollership model deals with the determinants of an optimal leadership style. Although an important element in all forms of management, leadership has historically been stressed in the military as one of the

most vital attributes of the officer. It is not unlikely that when most people visualize the successful military leader, General George Patton comes to mind. The stereotype of the leader has been the hard-nosed, no-nonsense, authoritarian figure. Within the past decade, and certainly since the beginning of the all volunteer military, the armed forces have followed the lead of the civilian and academic communities by stressing more group dynamics in leadership training. With the introduction of human resources management, leadership workshops and "Leadership/Management Training" to the Navy, "participative management" became the buzz word of the day. This author feels that perhaps leadership training in the Navy has stressed one leadership style or another as a panacea for every situation. It is the contention of this thesis that there is no single leadership style which will be optimal for a manager in a given organization in every situation. This section of Chapter III deals with the different leadership styles available to the Navy comptroller and the various factors which influence an optimal choice from the alternatives.

Robert Tannenbaum and Warren H. Schmidt have studied leadership patterns, and their work will be the basis of the following discussion on leadership styles. [50] The discussion will be broken down into three segments as follows: (a) leadership patterns available, (b) choosing a leadership pattern, and (c) long-run vs. immediate objectives.

a. Leadership Patterns Available

A continuum of leadership behavior which includes the range of possible leadership behavior available to a manager is presented in Figure 3-6. Each type of behavior is actually a measure of the degree of authority retained by the manager vs. the amount of freedom allocated to subordinates in the decision making process. The behavior at the far left end of the scale (Figure 3-6) represents the situation whereby the manager retains the maximum authority. At the right end of the scale, the subordinates are allowed the maximum possible freedom in decision making. Each level of behavior along the scale will now be examined more closely.

(1) The Manager Makes the Decision and Announces It. This is the situation where the boss recognizes the problem and assumes sole responsibility for its resolution. In implementing the solution, action is directed to the subordinates. In this type of leadership style, the wishes and desires of subordinates may or may not be considered in formulating the solution to the problem. Coercion is possible in the implementation process.

(2) The Manager "Sells" the Decision. This form of leadership style is similar to the first in that the manager takes full responsibility for problem identification and formulation of a solution. The difference in this style, however, is that the manager does not direct action to the subordinates, but attempts to persuade the subordinates

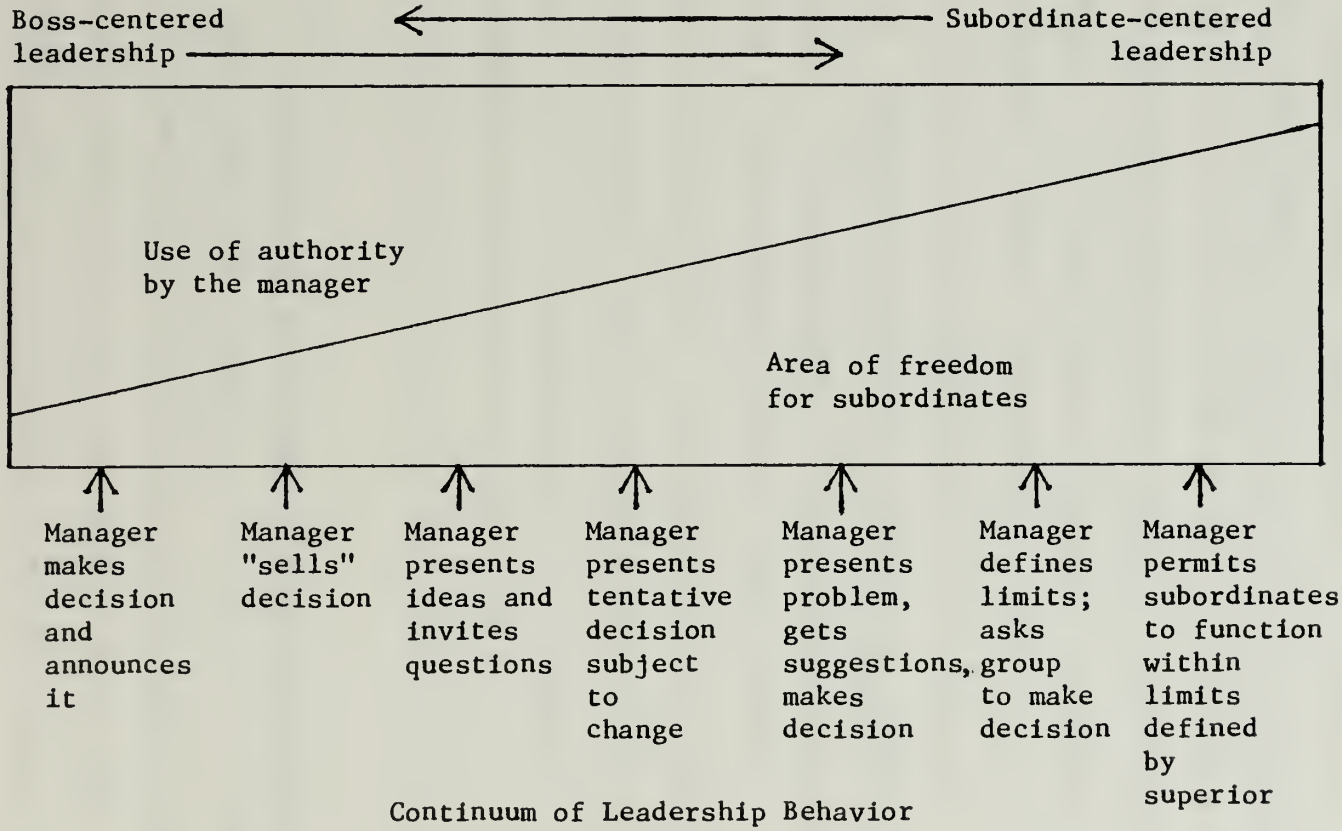

Boss-centered leadership
Subordinate-centered leadership
Use of authority by the manager
Area of freedom for subordinates
Manager makes decision and announces it
Manager "sells" decision
Manager presents ideas and invites questions
Manager presents tentative decision subject to change
Manager presents problem, gets suggestions, makes decision
Manager defines limits; asks group to make decision
Manager permits subordinates to function within limits defined by superior
Continuum of Leadership Behavior

Figure 3-6

Source: Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," Harvard Business Review (May-June 1973). Copyright 1973 by the President and Fellows of Harvard College.

that acceptance of the problem solution is in their best interest. The manager probably anticipates some resistance to the solution and attempts to soften the blow by explaining what the employees have to gain from its implementation.

(3) The Manager Presents Ideas, Invites Questions. This leadership style is quite similar to the previous one, however, in presenting ideas to subordinates, the manager solicits questions. The resulting information exchange is designed to promote a better understanding among the subordinates concerning the full implications of the decision.

(4) The Manager Presents a Tenative Decision Subject to Change. This approach actually allows the subordinates affected by the decision to have some limited say in the decision making process. The manager still assumes responsibility for problem identification and diagnosis; however, in approaching the subordinates, the decision is presented as tenative, subject to change. Dialogue is then solicited from subordinates concerning the decision prior to finalization.

(5) The Manager Presents the Problem, Gets Suggestions, And Then Makes the Decision. This is the first leadership style discussed in which the subordinates actually enter into the decision making process before some type of decision is already made or considered. In this form of leadership, the manager first recognizes the problem and then

presents it to the subordinates with a solicitation for alternative solutions. This method is used when it is felt that the decision will benefit from experience found at lower levels in the organization. From the resulting list of possible solutions, the manager selects the one felt to be most optimal.

(6) The Manager Defines the Limits and Requests the Group to Make a Decision. In this method, the manager still is responsible for problem identification, but the solution process is delegated entirely to subordinates. Certain limits are set on the subordinates by the manager, however.

(7) The Manager Permits the Group to Make Decisions Within Prescribed Limits. This is the extreme subordinate-centered leadership. Here the entire decision making/implementation process is delegated to the subordinate group. Certain boundaries can be set for the group, but the group still retains freedom of problem identification, solution, and implementation.

b. Choosing a Leadership Pattern

Having defined the possible leadership patterns or styles available to the manager, this section will discuss the factors involved in selecting the optimal alternative. Tannenbaum and Schmidt state in their model that the important factors to consider are those found in the leader, the follower, and the situation. [51] The Navy field comptroller will find that different situations will lend themselves best to different

leadership patterns depending on the factors involved. The comptroller who is sensitive to the various pertinent factors will best be able to judge which leadership style will be most appropriate.

The manner in which a manager or leader will react to a particular problem situation will to some extent depend upon the manager's own personality and knowledge/ experience level. Tannenbaum and Schmidt list the important internal forces as the manager's value system, confidence in subordinates, leadership inclinations, and feelings of security in an uncertain situation. [52]

The leader's value system pertains to feelings of how much say subordinates should have in decisions affecting them. Perhaps there is the feeling that he or she as a manager is getting paid to make decisions. These feelings will determine to a great extent where the manager will operate on the leadership pattern continuum previously discussed.

Confidence in subordinates sometimes may stem from a general feeling of trust in people. Occasionally, the manager may feel that no one is competent to make a decision except one at the top of the organization such as himself.

Some managers due to personal philosophies of leadership will probably feel more comfortable in adopting one particular style regardless of the situation. It could be highly directive or possibly participative in nature.

Finally, the manager's willingness to make a possibly unpredictable situation more unpredictable will to some extent determine how much decision making will be turned over to subordinates. [53]

Like the manager, the subordinates bring with them to the organization certain values, abilities, and expectations. The effective manager will be able to read these forces and in turn determine what type of behavior on his part will draw out the optimal subordinate behavior. If the following essential conditions exist, the manager should permit subordinates greater freedom:

- If the subordinates have relatively high needs for independence. (As we all know, people differ greatly in the amount of direction that they desire.)
- If the subordinates have a readiness to assume responsibility for decision making. (Some see additional responsibility as a tribute to their ability; others see it as "passing the buck.")
- If they have a relatively high tolerance for ambiguity. (Some employees prefer to have clear-cut directions given to them; others prefer a wider area of freedom.)
- If they are interested in the problem and feel that it is important.
- If they understand and identify with the goals of the organization.
- If they have the necessary knowledge and experience to deal with the problem.
- If they have learned to expect to share in decision making. (Persons who have come to expect strong leadership and are then suddenly confronted with the request to share more fully in decision making are often upset by this new experience. On the other hand, persons who have enjoyed a considerable amount of freedom resent the boss who begins to make all the decisions himself.) [54]

The third set of factors to consider when choosing a leadership style are the situational forces. These forces in the situation include the type of organization, the group's effectiveness, and the problem itself. [55]

In many organizations, there exists a preconceived notion of how a manager should act. Organizational values and traditions concerning the behavior of managers is passed down the line by way of oral communications, job descriptions, and policy statements by top management. This is certainly true of the Navy field comptroller. It will be difficult for the comptroller to practice any form of participative management without the backing of the Commanding Officer. The size of the organizational groups and their geographic locations will also enter heavily into any decision dealing with management/ leadership styles.

Group effectiveness will come into play when making leadership style decisions. [56] One must ensure that the group works together with ease and that the group is competent to handle the problem prior to delegation of the decision making process.

Related to the above statement, the nature of the problem will to some extent determine by whom the decision will be made. If the manager is best equipped to deal with all the factors involved, and it would waste time to educate someone else as to all the details, it may be beneficial for the manager to make the decision. By the same token, the

time constraints connected with the problem can determine where it is to be dealt with. If the solution is required by the boss immediately, it may be necessary to make the decision at the manager's level (assuming of course this is the most expeditious means and the manager has the proper expertise).

The above mentioned factors which affect the manager's selection of a leadership style will undoubtedly change from situation to situation. Therefore flexibility and an ability to read the signs are the keys to success in choosing the proper pattern.

c. Long-run vs. Immediate Objectives

More than likely, the short term situations with which the field comptroller will be faced will be determined by the existing factors which were just mentioned. It must be pointed out, however, that many of the factors become variable in the long run and to some extent controllable by the comptroller. For instance, education and training of employees can better prepare them to make decisions. In addition, it may be possible to convince superiors of the virtues of participative management in some sitations.

The problem arises when deciding upon such long-range leadership goals just how "participative" you want to get. First of all, what are the goals which the comptroller will be trying to achieve through the long-range planning. The objectives of most modern managers are as follows:

- To raise the level of employee motivation.
- To increase the readiness of subordinates to accept change.
- To improve the quality of all managerial decisions.
- To develop teamwork and morale.
- To further the individual development of employees. [57]

"Most research and much of the experience of recent years give a strong factual basis to the theory that a fairly high degree of subordinate-centered behavior is associated with the accomplishment of the five purposes mentioned." [58] The comptroller should not force decision making on subordinates who are not prepared or willing to accept it, however, the subordinates should be continually confronted "with the challenge of freedom."

d. Summary

This section presented a continuum of leadership patterns which ranged from boss-centered authoritarian to subordinate centered participative patterns. Following presentation of the continuum, the forces which exist in the leader, the follower, and the situation were explored. It is these forces which must be analyzed when determining an optimal leadership pattern. Finally, it was emphasized that a successful leader is not one who is authoritarian or participative in all situations, but one who is able to read the forces discussed and choose the proper pattern for the situation. Although short term decisions concerning leadership patterns are determined by existing forces, long term leadership

goals can be obtained through manipulation of many of the forces involved.

4. Decision Making Situations/Methods

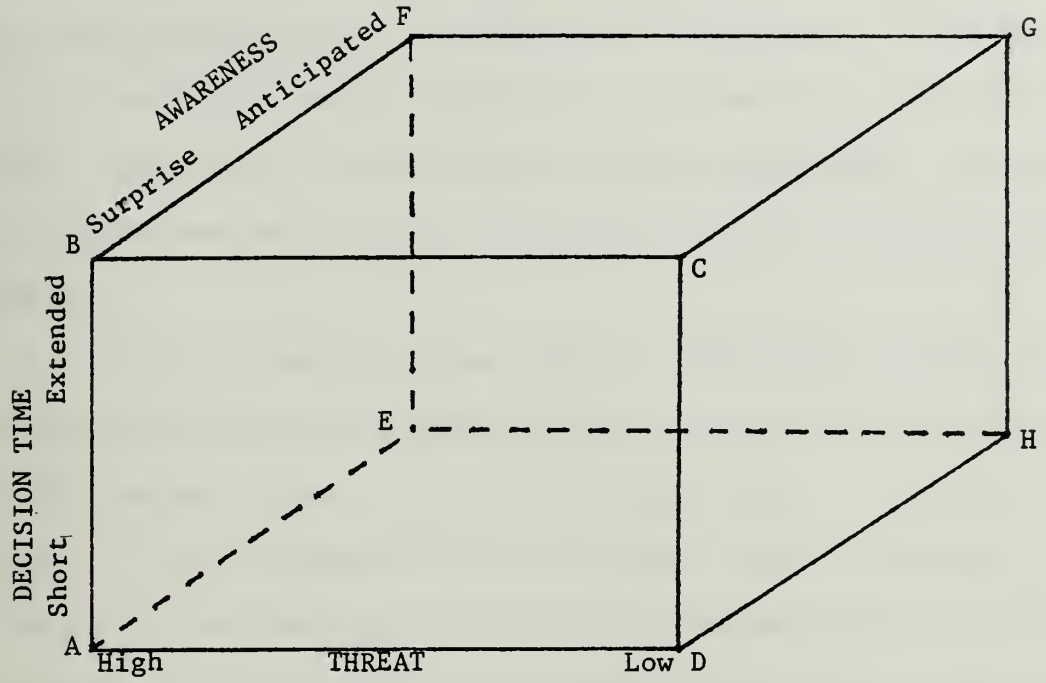
The third and final phase of the comptrollership model deals with decision making environments and the resulting methods employed to make the decisions.

The decision-making environment or situation can be characterized along three dimensions; the level of threat to the organization or the comptroller, the extent of the time fuze in which to react, and the amount of prior awareness or forewarning that the decision must be made. [59] Hermann (1972) has designed a cube, Figure 3-7, which depicts possible decision making situations. The comptrollership model indicates that different situations will require different decision making methods be employed by the comptroller. The appropriateness of three decision-making methods for different decision situations is considered.

The first method is the rational decision-making method. [60] The rational method assumes that the comptroller is a rational person who (1) can make a decision from alternatives, (2) can rank alternatives by preference, (3) realizes transitivity in preference ranking, (4) will choose the alternative which ranks highest, and (5) will be consistent in his or her choices.

The rational decision-making process further assumes that there is only one decision maker. Group decision making

Figure 3-7

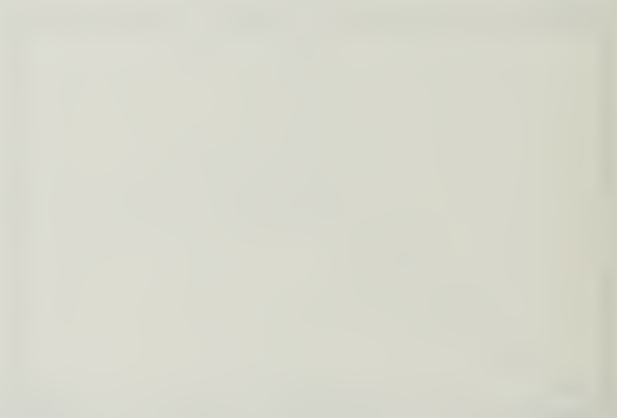


A situational cube representing the three dimensions of the decision making environment. (The decision making methods listed are hypothesized by the comptrollership model.)

KEY:

TYPE OF SITUATION	THREAT	TIME FUZE	AWARENESS	METHOD
A. Crisis	Hi	Short	Surprise	Org. process or Bureaucratic
B. Innovative	Hi	Extended	Surprise	Rational or Org. process
C. Inertia	Low	Extended	Surprise	Rational
D. Circumstantial	Low	Short	Surprise	Org. process
E. Reflexive	Hi	Short	Anticipated	Org. process or Bureaucratic
F. Deliberative	Hi	Extended	Anticipated	Rational or Org. process
G. Routine	Low	Extended	Anticipated	Org. process
H. Administrative	Low	Short	Anticipated	Org. process

Source: Charles F. Hermann, International Crises: Insights from Behavioral Research, The Free Press, New York, 1972, p. 14.



is not applicable to this process. Objectivity is assumed in the rational process. Alternative solutions to problems are listed along with assumptions relevant to each alternative. After each alternative is fully analyzed, a decision is made by selecting the alternative which maximizes net benefit.

On the surface, the rational-decision making method appears to be the only logical way to go. Upon closer inspection, however, this is not always the case. It may be a luxury or even inappropriate at times. For instance, time constraints may make other decision-making methods more appropriate. Once decisions are made utilizing the rational method, there is always the possibility of outside disagreement. The decision maker will encounter further difficulties if he or she cannot conform to what the rational method indicates is the optimal solution.

In addition to the rational decision process, Allison (1971) has described two non-rational decision-making methods: the Organizational Processes method and the Bureaucratic Politics method. [61]

The organizational processes method differs from the rational method in the following ways. Instead of looking at the problem as a whole, it is split up into manageable parts which are dealt with by different groups in an autonomous manner. This idea of problem factoring differs from the unitary decision maker assumption of the rational process. Instead of

exploring all alternatives prior to making a decision, the organizational processes method calls for satisficing (i.e., considering alternatives only until one appears to be good enough). After the first "good enough" alternative is found, it is chosen as the solution and the process ceases. This practice of satisficing makes the alternative search process quite significant. Since the first good alternative is chosen, the method of searching for alternatives will affect the order of their appearance to the decision makers and can therefore affect the outcome of the process. Uncertainty avoidance is a significant characteristic of the organizational processes method which is not present with the rational method of decision-making. In order to promote organizational stability, procedures with short run feedback are generally developed, and incremental change takes high priority. A final attribute of the organizational processes method which distinguishes it from the rational method is the development of repertoires or standard operating procedures (SOPs) which tend to formalize all the preceding characteristics. This is a method of avoiding past mistakes by repeating actions which have been successful in the past under various conditions. These SOPs tend to contain cookbook solutions to problems.

Bureaucratic politics is the second non-rational method for decision-making described by Allison. Unlike the two previously discussed methods, the bureaucratic politics method is based on the power and personal ambitions

of the decision maker. It is based on the actions which those persons who possess power take to persuade their superiors that their alternative or solution is optimal. Under this method, solutions to problems are sometimes colored by the ambitions and personal interests of the decision maker. For instance, rather than arriving at a rational solution to a problem and letting the analysis sell itself, the decision maker might attempt to sell a solution which is designed to benefit his or her career rather than the good of the organization. Unlike the rational and organizational processes methods, the bureaucratic politics method for decision-making appears by this author to be more dependent on the personal values of the decision maker rather than the situation. The decision maker which is prone to utilize this method, however, would probably find it most useful in situations which pose the greatest threat to his or her career.

Before describing the various decision-making situations and their ties to the three decision-making methods discussed, several propositions are presented which indicate actions which results from three situational attributes: threat, time fuze, and awareness.

1. Crisis decisions (i.e., high threat, short time, and surprise) engage more individuals than non-crisis decisions.

2. In crises, the number of alternative solutions to the situations that will be identified by the decision makers will be reduced.

3. As threat increases, decision time becomes steadily more important in determining how many alternatives will be considered.

4. The longer the decision time, the more alternative courses of action are considered.

5. In a crisis as opposed to a non-crisis situation, decision makers tend not to make distinctions between the involvement of a personal and organizational threat.

6. Under conditions of high threat and limited time, decision makers become too pressured to discriminate between alternatives.

7. When threat remains minimal, the amount of available time makes little difference in the number of alternatives discussed.

8. When considerable decision time exists, decision makers tend to enumerate more alternative proposals in situations that occur as a surprise than in situations that emerge after a warning.

9. The greater the extent to which an event is anticipated, the stronger the emotional reaction when the event occurs (especially when reaction time is minimal).

10. The greater the crisis, the greater the propensity to supplement information about the objective state of affairs with information drawn from past experience.

(The above propositions have been verified and supported by Charles F. Hermann (1971). [62] The following propositions are assumptions drawn by this author from the three previously discussed decision-making methods:

11. The rational process, due to its nature of alternative generation and analysis, will take more time than the two non-rational methods.

12. The rational process will tend to be utilized more in situations which lend themselves to alternative generation and analysis.

13. Non-rational decision-making methods will dominate situations with short time fuzes for the following reasons. These situations tend to create stress within the

the decision-maker which results in (1) repetition of prior responses regarded as successful, (2) perception of fewer alternatives available, (3) zero sum (black/white) thinking. [63]

14. The practices of satisficing and development of SOPs are useful in situations where decisions must be made with a short time fuze.

15. SOPs and uncertainty avoidance might be used when there exists a high threat to the decision maker or the organization.

16. If a decision maker is prone to making decisions based on personal emotions or ambitions, he/she will most likely do so in situations of a high threat nature with a short time fuze. The high threat to the decision maker will involve a self-protective reaction. The short time fuze allows the decision to be made without outside input or approval.

The following discussion will describe how each of the decision-making situations depicted in Figure 3-7 might occur in the routine of the Navy field comptroller and, according to previously enumerated propositions, which decision-making methods would most likely be utilized.

An example of the crisis situation, characterized by high threat, short time fuze, and little warning, would be the comptroller's realization that a department had obligated funds for some purpose other than for what they were authorized. This would constitute a violation of Section 3678 Revised Statutes (R.S.) 31 U.S. Code 628. The most probable course of action for the comptroller to take in this situation is to inform the C.O., commence reporting procedures in accordance with SOPs, and investigate/correct the discrepancy as per prescribed procedures. The type of decision-making method most

likely to be employed therefore, is the organizational processes method (propositions 1,2,3,4,6,10,13,14,15). If the comptroller were prone to making decisions based on personal ambition, the bureaucratic politics method might be utilized in the crisis situation (propositions 5,16).

The comptroller might be confronted with an innovative situation in the form of a top priority project proposed by the C.O. which will have a strong impact on base operations (e.g., the creation of a new management information system). The threat is high, time fuze extended, and warning time minimal. This situation would lend itself best to a rational decision-making process (propositions 3,4,8,11,12). There is the possiblity, however, that the comptroller might employ the organizational processes method due to the high threat factor (proposition 15). This might be the case if the comptroller felt unqualified to act as a unitary decision maker and preferred to follow previously written guidelines.

A decision-making situation characterized as inertia would be one of low threat, extended time fuze, and no warning. An example of this type of situation to the comptroller would be how to fill a keypunch operator vacancy (one of six) caused by the resignation of a low-level employee. Due to the amount of time to develop alternatives and make the decision of how to fill the vacancy, the rational process will probably be utilized (propositions 8,11,12).

A circumstantial situation will occur when the comptroller is suddenly faced with a requirement to submit a certain one-time budget execution status report to a higher command within a few days. There is a low threat factor, short time fuze, and no warning. Such a situation would probably be handled by utilizing written procedures or methods utilized successfully in the past. The organizational processes method would therefore be the predominant method utilized (propositions 9,13,14).

Knowledge that sometime within the next three months the comptroller will be given twenty-four hours notice prior to an Inspector General audit is an example of a reflexive situation. The audit presents a high threat to the command and the comptroller personnally, must be prepared for in a short time period, and had been anticipated. There is little doubt that previously utilized procedures will be employed by the comptroller in making decisions relative to preparing for the auditors' arrival. Therefore, the organizational processes method is most likely to be used in this instance (propositions 3,4,6,9,13,14,15). Due to the threat to the comptroller, however, there is a possibility that the bureaucratic politics method may be employed (proposition 16).

A deliberative situation would be the same as the audit described above with the exception of an extended time fuze (e.g., the dates of the audit are known two months in advance). Although an unlikely situation, the comptroller

would have more time to develop alternatives and make decisions utilizing a rational process (propositions 3,4,11,12). There is still a possibility that SOPs will be followed exclusively to reduce uncertainty due to the high threat factor (propositions 8,15).

An example of a routine situation for the comptroller would be submission of periodic accounting reports. There is little threat to the organization or to the comptroller, the time for preparation is extended, and there is plenty of warning. A situation such as this will probably be performed in accordance with SOPs since it is frequently repeated. The organizational processes method of decision making will probably be used most frequently with routine decision-making situations (proposition 8).

Administrative decisions are those day-to-day situations in which the comptroller must make quick decisions of little consequence to the organization. They are anticipated and usually involve the organizational processes method of decision making (propositions 9,13,14). An example of this type of situation would be to decide to make personnel shifts among functions within the organization.

It appears from the propositions previously stated that the "threat" and "time fuze" factors play the largest roles in determining which decision-making methods are most appropriate for different situations, with "awareness" playing only a minor role (propositions 8,9). Although a minor factor

in the model thus far developed, "awareness" must be considered in analyzing decision-making methods and is essential in defining the situations.

An ability to recognize the eight decision-making situations and apply the appropriate decision-making method has great potential for aiding the new comptroller in the start-up process. The analysis portion of this thesis will attempt to show that Navy field comptrollers use mixed decision-making methods/techniques as decision-making situations change.

D. SUMMARY

This chapter has defined what is meant by a formal organization and developed a comptrollership model, which represents how various organizational variables affect the comptroller's organization.

The comptrollership model, designed to assist the new comptroller in the initial months of his tour, states that optimal organizational structure, comptroller leadership styles, and optimal decision making methods can be determined from a study of the organization's technological and environmental characteristics, individual characteristics of the leader, followers and the situation, and the predominant environment for decision making. In developing the model, organizational theories were taken from the studies of Thompson, Burns and Stalker, Woodward, Rousseau, Perrow, Lawrence and Lorsch, Tannenbaum and Schmidt, Allison, and Hermann.

An illustration of the comptrollership model was presented as Figure 3-1. As illustrated, the elements to the left of the vertical dotted line are in the short term uncontrollable by the comptroller while elements to the right are controllable in most situations.

The following chapter will present organizational data from a sample of Navy Field Comptroller organizations. Analysis of data will be discussed as it applies to the comptrollership model.

This chapter presented several propositions to be tested in the analyses and conclusions of the following two chapters. The propositions are:

3-1: Systematic relationships between technological and structural variables of Navy field comptrollership can be detected.

3-2: Navy field comptrollership exhibits technological similarities to Woodward's "large batch/mass production" type firms and will therefore exhibit correspondingly similar structural relationships (i.e., formalized structure, administratively organized, clearly defined positions, clear chain of command).

3-3: The technology of comptrollership in the Navy is of Perrow's Routine type (well structured/low variability and few exceptions) and displays corresponding structural characteristics (centralized with power held by comptroller, high interdependence and high coordination required among functions within the organization).

3-4: Navy field comptroller organizations operate in basically stable environments and exhibit mechanistic systems of management.

In addition to the propositions stated above, the comptrollership model indicated that Navy field comptrollers use

mixed decision-making methods/techniques as decision-making situations change. Analysis of the comptroller data will attempt to validate that assumption. No analysis was made of actual leadership styles utilized by Navy comptrollers due to limitations of the data collection techniques. For the present, the leadership portion of the comptrollership model must stand on the merits of the Tannenbaum and Schmidt work.

IV. THE SURVEY AND DATA ANALYSIS

A. INTRODUCTION

The purpose of this chapter is to look at actual conditions within Navy field comptroller organizations in order to assess the propositions derived from the comptrollership model and to give the future comptroller a glimpse at what types of situations and problems might be experienced in the field. Data relevant to certain portions of the comptrollership model (i.e., technology/structure and decision making situations/methods) were obtained from the field of Navy comptrollers via a survey and are presented in this chapter. In addition, information concerning initial problem areas and advice for the new comptroller was gathered in the survey. The methodology utilized in gathering the data as well as analyses of the data are included. Conclusions concerning the relevance of the data and the model to the comptroller will be presented in the final chapter.

B. THE SURVEY

1. Methodology

A survey was conducted of a sample of Navy field comptrollers via a mailed questionnaire (Appendix C). In addition to background data on the command and the comptroller, the questionnaire was designed to gather data concerning the technology and structure involved in the particular organization,

the types of decision making methods employed by the comptroller, problem areas encountered by the comptroller, and advice the comptroller might have for the neophyte.

Table 4-1 summarizes the characteristic or attribute of the organization or comptroller being measured by each question of the questionnaire.

2. Measures

Questions 1-8 of the comptroller questionnaire which measure background information use a nominal scaling measurement technique for the purpose of categorization. No ordering among categories is implicit in this type of measurement. The purpose of the questions was to enable breakdowns of data by groupings such as military comptroller vs. civilian comptroller or first vs. second tour comptrollers. This type of analysis was not attempted for this thesis but holds promise for further study. This author does not feel that responses to such questions will be biased due to their straight-forward objective nature.

Questionnaire items 9-23 which measure structural and technological attributes of the comptroller organizations are based on an interval scaling form of measurement (5 point Likert scale). In this type of measurement, objects are not only ordered with respect to some measured attribute, but the intervals between adjacent points on the measurement scale are equal. The basic structure of the questions was derived in a seminar on Technology in Organizations at the U.S. Naval

(In utilizing the following information, refer to Appendix C)

CHARACTERISTIC/ATTRIBUTE	QUESTION NUMBER
* Comptroller background	1
* Comptroller experience level	2 & 3
* Size of the Command	4
* Size of comptroller org.	5
* Span of control (comptroller)	6
* Levels in hierarchy	7
* Level of command centralization	8 & 9
* Level of centralization within comptroller organization	10
* Formalization of comptroller organization	11
* Level of vertical communication in comptroller organization (upward)	12
* Interdependence within the comptroller organization	13
* Coordination within the comptroller organization	14
* Specialization within the comptroller organization	15
* Standardization of inputs	16
* Predictability of inputs	17
* Routineness of conversion process	18
* Complexity of conversion process	19
* Automation of conversion process	20
* Discretion within conversion process	21
* Output quality control	22
* Performance evaluation	23

The remaining sets of questions deal with the following variables (in order):

* Decision making environment	24
* Decision making methods	25
* Comptroller problem areas (subjective)	26
* Comptrollers' general comments (subjective)	27

KEY TO COMPTROLLER QUESTIONNAIRE

Table 4-1

Postgraduate School in May 1980. The questions have not been pre-tested or validated. It is possible that bias could result in the responses to these questions for the following reasons: (1) Social desirability could prompt a comptroller to answer a question in a manner which he/she thinks it should be answered, e.g., "rules are always followed" or "performance feedback is always emphasized." This type of bias is possible with questions 10-12,19,21-23. An attempt was made to minimize social desirability bias throughout the questionnaire by suggesting anonymity in the responses. (2) Interpretation of word definitions could cause bias. For example, two comptrollers could interpret the word "important" differently in question #14. All questions are subject to bias of this nature.

Question number 24 which deals with decision-making situations is based on an ordinal scale. This form of measurement ranks objects or situations as to the smallest to the largest or the lowest to the highest. In this case, the question is intended to measure eight types of decision-making situations from the least experienced to the most experienced by the comptroller. The situations are based on the eight extremes of the decision-making cube designed by Hermann. [64] The question has not been pre-tested or validated by this author. Bias could result from interpretation of the situations. It might also be difficult for some comptrollers

to accurately assess from memory just how the decision-making situations experienced are divided up. Nevertheless, the question should produce general breakdowns.

Question #25 is of the nominal scale type of measurement. The question is designed to measure what decision-making techniques are utilized most frequently by the comptroller. The comptrollers were asked to select six or more choices from the list of techniques provided which pertain to the process used for decision-making, although none chose more than six. The choices were derived from the discussion in Chapter III dealing with the three types of decision making methods (i.e., rational, organizational processes, and bureaucratic politics). Social desirability bias is possible in this question due to the choices listed. For instance, it is unlikely that anyone would admit to considering his/her career above all else in making a decision. The syntax of the choices could also cause confusion with regard to selection (e.g., some choices begin with verbs and some adjectives).

Despite several sources of bias in the measures, the survey is appropriate for the exploratory purpose of this author which is to document general trends and attributes of comptrollership in the Navy with respect to the behavioral aspects of the organizations in light of the model. The data generated is judged by this author to be adequate for an initial assessment of the propositions stated in Chapter III.

Questions 26 and 27 are open-ended and were designed to solicit responses which deal with actual comptroller experiences for the benefit of the future comptroller. The responses will be purely subjective and, in addition to serving as advice to the new or future comptroller, can be used to evaluate comptrollership in the Navy with respect to the comptrollership model. The propositions generated in Chapter III will be supported by responses from these items.

3. Sample Selection

In selecting which comptrollers would receive the questionnaire, it was decided that in order to reduce the level of variability among the organizations studied, only Naval Commands located within the continental United States would be utilized. It was felt that the unique problems of an overseas command could have a biasing effect on the resulting data. The results of the survey, therefore, should be generalizable to Naval Commands in the continental United States.

Of a population of 499 U.S. Naval Commands in the continental United States, a sample of 68 was selected utilizing a random sampling technique. It was felt by this author that a minimum of 10% of the population should be sufficient to ensure reliability. Anonymous replies were solicited. Of 59 total responses (87% of the sample), 58 were usable for data analysis. One response was not used due to the inexperience of the comptroller (two months). Of the comptrollers

surveyed, 74% were military and 26% civilian (question 1). First tour comptrollers comprised 59% of the respondants with the remaining 41% serving in follow-on comptroller tours (question 2). The average experience on the job was 28.7 months (question 3). The mean size of the comptroller's commands was 2118 personnel with a standard deviation of 2437 personnel (question 4). The average comptroller organization consisted of 51 personnel with a standard deviation of 51 personnel (question 5). The large standard deviation indicates a lack of homogeneity of size. This point will be treated later.

C. DATA ANALYSIS

In the analysis of the raw data obtained from the questionnaire, three aspects of the comptrollership model were examined. First, the technological/structural data were analyzed in a similar fashion to that of the Woodward studies. The Woodward studies attempted to find correlations between technological and structural variables within industries in Great Britain. The variables used in the comptroller questionnaire were those of the Rousseau model. Secondly, the relationship between decision-making situations and decision-making methods was examined to determine the predominant types of decision making situations encountered by comptrollers and what types of decision-making methods are most often utilized. Finally, content analysis was conducted of the

comptrollers' general comments concerning problems experienced and advice to the new comptroller.

1. Technological/Structural Analysis

Means and standard deviations for items measuring technological and structural characteristics of Navy field comptrollership are presented in Table 4-2. Correlation analysis was used to assess the following relationships between the technological (independent) and structural (dependent) variables.

Proposition 3-1: Systematic relationships between the technological and structural variables of Navy field comptrollership can be detected.

Proposition 3-2: Navy field comptrollership exhibits technological similarities to Woodward's "large batch/mass production" type firms and will therefore exhibit correspondingly similar structural relationships (i.e., formalized structure, administratively organized, clearly defined positions, clear chain of command).

Proposition 3-3: The technology of comptrollership in the Navy is of Perrow's Routine type (well structured/low variability and few exceptions) and displays corresponding structural characteristics (centralized power held by comptroller, high interdependence and high coordination required among functions within the organization).

Bivariate correlation is a form of analysis of two variables from which a single number results which is descriptive of the relationship between the variables. The magnitude of the absolute value of the number is indicative of the amount of change in one variable which is indicated by change in the other variable. If a group of data points based on two variables is graphed with each axis representative of one of the variables, the resulting diagram is known as a

QUESTION # (VARIABLE MEASURED)	DATA SUMMARY (mean)	(Standard deviation)
6. (Comptroller span of control)	4.34	2.05
7. (Levels in hierarchy)	3.00	1.09
8. (Level of command centralization)	53% Commanding Officer 35% Executive Officer 12% Other	
9. (Level of command centralization)	3.59	0.75
10. (Level of centralization within comptroller organization)	3.36	0.99
11. (Formalization of comptroller organization)	2.20	0.72
12. (Level of vertical communications in comptroller organization)	1.81	0.78
13. (Interdependence within comptroller organization)	2.10	0.87
14. (Coordination within comptroller organization)	1.62	0.77
15. (Specialization within comptroller organization)	2.17	0.75
16. (Standardization of inputs)	2.55	0.82
17. (Predictability of inputs)	2.47	0.73
18. (Routineness of conversion process)	2.84	0.81
19. (Complexity of conversion process)	1.88	0.82
20. (Automation of conversion process)	2.83	0.99
21. (Discretion within conversion process)	2.86	0.84
22. (Output quality control)	1.71	0.83
23. (Performance evaluation)	1.93	0.69

(Refer to Appendix C in interpreting data summary information)

SUMMARY OF TECHNOLOGICAL/STRUCTURAL VARIABLES
Table 4-2

scattergram. The Pearson Coefficient, symbolized by "r," is representative of the goodness of fit of a straight line to the data points of a scattergram. A perfect fit would be indicated by a value for "r" of +1 or -1. The sign merely indicates whether the relationship is direct (+) or inverse (-). A value of 0 indicates no linear relationship between the two variables. The value of the Pearson Coefficient "r" therefore will indicate the strength and direction of the relationship between two variables. For purposes of analysis of the technological/structural relationships involved with the comptrollership model, bivariate correlations were examined.

Prior to examining correlations between technological and structural variables, a test for multicollinearity was run on the independent (technological) variables. Multicollinearity is a situation where significant intercorrelation exists among independent variables. Multicollinearity can confound attempts to assess the relative importance and the separate effects of independent variables. When multicollinearity exists among the independent variables, there are three possible ways to rectify the problem. [65] One method is to delete the correlated variables from the analysis. A second possibility would be to combine the intercorrelated variables into one variable by averaging the data. A third and final method is to use only the most influential of the intercorrelated variables, discarding the rest.

The intercorrelation matrix (Table 4-3) presents Pearson correlation coefficients for each pair of technological variables. The absolute values of the Pearsons coefficients presented represent the strengths of the relationships among pairs of independent variables.

Since the variable "Input Standardization" was significantly correlated with three other variables ("Input Predictability, Routineness of Conversion, and Output Quality Control"), it was decided to eliminate "Input Standardization" from the list of technological variables to consider. The same is true for "Complexity of Conversion," which was significantly correlated with "Automation of Conversion" and "Discretion in Conversion." Since "Input Predictability" and "Output Quality Control" were significantly correlated with one other variable ("Routineness of Conversion" and "Output Evaluation," respectively), it was decided by the author to combine each pair by averaging responses within each pair. The two new combined variable inputs were henceforth designated "Input Predictability/Conversion Routineness" and "Output Quality Control/Performance Evaluation." In addition to the new combined variables, two original technological variables which were not significantly correlated with other independent variables were "Automation of Conversion" and "Discretion in Conversion."

The next step in the data analysis process was to test for correlation between the remaining four technological

	Input Predictibility	Routineness of Conversion	Complexity of Conversion	Automation of Conversion	Discretion of Conversion	Output Quality Control	Output Performance Evaluation
Input Standardization	.47*	.34*	.08	.14	.01	.29*	.04
Input Predictibility		.39*	-.17	.11	-.18	.20	.13
Routineness of Conversion			-.06	.10	-.06	.19	.11
Complexity of Conversion				.32*	.23*	-.05	.02
Automation of Conversion					.16	.04	.08
Discretion in Conversion						.14	.13
Output Quality Control							.57*

* = $P \leq .05$

INTERCORRELATION MATRIX

Table 4-3

variables and the original eight structural variables from Chapter III. Table 4-4 depicts the correlation matrix for the test.

The table indicates that the combination of the predictability of inputs and routineness of the conversion process (technological characteristics) are systematically associated with three dependent structural variables. Specifically, as predictability of inputs and routineness of the conversion process increases: (1) span of control decreases, (2) the number of levels in the hierarchy decreases, (3) the level of centralization within the comptroller's organization increases.

The results of the analysis further indicate that the level of automation present in the comptrollership conversion process is not systematically associated with organizational structure. Discretion over the conversion process displayed a significant positive correlation with formalization and the level of vertical communications within the organization, and displayed a negative correlation with the number of hierarchical levels.

The combination of output quality control and performance evaluation level correlated positively with vertical communications, required coordination among functions, and specialization of functions. A negative relationship between output quality control/performance evaluation and hierarchical levels was found. In summary, the above stated correlations provide support for Proposition 3.1.

	Input Predictibility/ Conversion Routineness	Automation of Conversion	Discretion in Conversion	Output Quality Control/ Performance Evaluation
Span of Control	-.38*	.08	.08	-.06
Levels in Hierarchy	-.21*	.02	-.25*	-.24*
Centralization of Department	.48*	.01	-.01	.03
Formalization of Department	-.09	.02	.24*	.07
Vertical Communications	-.03	.12	.27*	.35*
Interdependence Among Functions	.10	.12	-.13	.08
Coordination Between Functions	-.06	.14	.03	.30*
Specialization of Functions	-.06	.14	.15	.22*

* = $P \leq .05$

CORRELATION MATRIX

Table 4-4

Like Woodward's large batch/mass production firms, comptroller organizations are between the two extremes with regard to predictability and routinization. This is indicated by the midrange mean responses to the questionnaire items dealing with predictability and routineness (2.47 and 2.84 respectively). Other structural traits which the questionnaire results indicate match the large batch/mass production firms are (1) formal organizations, (2) organized by administrative process,(3) clearly defined positions, and (4) clear chain of command. These data provide support for Proposition 3-2. The questionnaire data further indicate that the typical comptroller's organization is highly structured, has low variability of inputs and routine, and has few exceptions. With the exception of high centralization, the data indicate that comptrollership fits Perrow's model of structural characteristics for a "Routine" organization (High interdependence and required coordination between functions) (Proposition 3-3).

2. Analysis of Decision-making Situations and Decision-making Methods

The comptrollership model hypothesizes that the various decision-making situations which the comptroller may encounter should have some effect on the type of decision making methods employed. Navy field comptrollers used mixed decision-making methods/techniques as decision-making situations change. The various situations along with possible decision-making methods were illustrated and discussed in Chapter III and are summarized

as follows:

APPROPRIATE METHOD	DECISION-MAKING SITUATION
1. Rational	Innovative, Inertia, Deliberative
2. Organizational Processes	Circumstantial, Routine, Crisis, Reflexive, Administrative, (Possibly Innovative, Deliberative)
3. Bureaucratic Politics	Possibly Crisis, Reflexive

The questionnaire which was sent out to Navy field comptrollers was designed to ascertain what percentage of time each decision-making situation was experienced by each comptroller and what type of decision-making methods were being utilized. Tables 4-5 and 4-6 indicate the results of the pertinent questions from the survey (questions #24 and #25).

Of the techniques for decision-making listed in the questionnaire, six indicate the rational method, five the organizational processes method, and three the bureaucratic politics method. In order to compensate for this, a weighted average of responses for each method was used in the analysis. Based on weighted averages, analysis of the data indicates the following:

- The average number of Rational Process techniques chosen was 4.12 or 57.4% of the total responses.
- The average number of Organizational Process techniques chosen was 1.67 or 27.9% of the total responses.
- The average number of Bureaucratic Politics techniques

The following are responses to question # 24 of the comptroller questionnaire (Appendix C).

SITUATION	DATA SUMMARY	
	(Mean)	(Standard deviation)
1. Crisis	8.97%	9.24%
2. Innovative	8.41%	5.19%
3. Inertia	5.92%	4.18%
4. Circumstantial	7.63%	4.93%
5. Reflexive	10.82%	7.34%
6. Deliberative	20.69%	10.42%
7. Routine	24.07%	17.04%
8. Administrative	13.92%	7.88%

SUMMARY OF DECISION MAKING SITUATION DATA

Table 4-5

The following table depicts the percentage of comptrollers who utilize each decision-making technique characteristic of a particular process (listed in order of popularity).

DECISION MAKING TECHNIQUE	PERCENTAGE SELECTION
1. Develop alternatives (rational process)	91%
2. Make decision by picking best alternative (rational process)	86%
3. State the objective (rational process)	85%
4. Analyze alternatives (rational process)	79%
5. List assumptions concerning alternatives (rational process)	55%
6. Follow SOP/regulations (organizational process method)	52%
7. Sell decision to CO (bureaucratic politics method)	45%
8. Prefer incremental change (organizational process)	43%
9. Divide problem into factors (organizational process)	19%
10. Pick alternative which provides feedback (org. process)	17%
11. Unitary decision maker (rational process)	12%
12. Personal interests (bureaucratic politics)	9%
13. Pick first acceptable alternative (organizational process)	2%
14. Effect on own career (bureaucratic politics)	0

SUMMARY OF DECISION-MAKING TECHNIQUE DATA

Table 4-6

chosen was 0.53 or 14.8% of the total responses.

- Utilizing the comptrollership model, we would expect the rational process to be used in the following decision-making situations: innovative, inertia, and deliberative. The questionnaire indicated that these situations occur on the average 58.8% of the time; therefore, we predict that the rational process method will be used approximately 59% of the time.
- Utilizing the comptrollership model, we predict that the organizational processes method of decision-making to be used in the circumstantial, routine, and administrative situations. These situations occurred 21.5% of the time (as ascertained from the data).
- Utilizing the comptrollership model, we predict that the bureaucratic politics method of decision-making will be used in the crisis and the reflexive situations or 0-19.7% of the time.

In summary the following relationships were obtained from the results of the comptrollership questionnaire with regard to decision making:

DECISION-MAKING TECHNIQUE	PREDICTED UTILIZATION	ACTUAL UTILIZATION
Rational process	58.8%	57.4%
Organizatonal processes	21.5%	27.9%
Bureaucratic politics	0-19.7%	14.8%

No single decision-making method was utilized exclusively by any

of the comptrollers surveyed. The results of the analysis indicated that combinations of methods are utilized in fairly near the proportions predicted by the comptrollership model.

3. Analysis of Comptrollers' General Comments

The responses to the final two questions in the comptroller questionnaire comprise Appendices D and E. Appendix D deals with problems expressed by the comptrollers which occurred within their first hundred days on the job. It is interesting to note that of 104 problems expressed by the 58 respondents, 26(25%) dealt with funding and technical areas such as budgeting and accounting techniques while 78 (75%) dealt with organizational behavior topics such as those included in the comptrollership model. A breakdown of the behavioral topics as they relate to the comptrollership model is as follows: (1) technology/structure - 50%, (2) leadership - 46%, (3) decision-making - 4%. The same trend exists for the second question (Appendix E) which solicited advice for the new comptroller. While only 22 (16%) dealt with technical matters, 120 (84%) stressed the behavioral side of the comptrollership function and organization. The above response breakdowns were achieved through content analysis of Appendices D and E.

Some of the most frequently mentioned statements from Appendix E (advice to the comptroller) are quoted below:

a. Learn the C.O.'s priorities and philosophy toward financial management.

b. Get to know the functions of every other department within the command, and get to know the other department heads personally.

c. Learn the functions of the people in your organization.

d. Establish and maintain your credibility.

e. Be fair and honest.

f. Get out and see what is going on around you.

g. Go slow and first and listen a lot.

The data obtained from questions 26 and 27 (Appendices D and E), along with information pertaining to the functions of the comptroller (Appendix B), aid in substantiating the following proposition:

> Proposition 3-4: Navy field comptroller organizations operate in basically stable environments and exhibit mechanistic systems of management.

Once the fiscal year commences and budget execution begins, the operation of the comptroller organization becomes quite predictable. The fact that the environment changes very rarely, with the exception of new people due to rotations, creates an atmosphere conducive to rules and regulations, formal hierarchies, and formalized structures. The comments in Appendix E indicate that knowledge is generally located at the top of the organization and communications between members of the organization tend to be vertical. These are the characteristics of a mechanistic system of management as defined by Burns and Stalker.

D. SUMMARY

This chapter examined actual conditions at Navy field comptroller organizations and related them to the comptrollership model. The vehicle utilized for data collection was a written questionnaire which was mailed to 68 comptrollers.

Bias will tend to compromise the validity of the results of the questionnaire in several respects as explained in this chapter; however, the findings are adequate for the exploratory nature of this thesis. Correlations between the technological and structural variables of Navy field comptrollership do exist (prop. 3-1). These correlations were presented in Table 4-4. It was further found that Navy field comptrollership exhibited technological similarities to Woodward's "large batch/mass production" type firms and exhibited corresponding structural relationships (i.e., formalized structure, administratively organized, clearly defined positions, clear chain of command) (prop. 3-2).

The technology of comptrollership in the Navy is of Perrow's "routine" type (well structured/low variability and few exceptions) and displays corresponding structural characteristics (centralized with power held by comptroller, high interdependence and high coordination required among functions within the organization) (prop. 3-3). In addition, Navy field comptroller organizations operate in basically stable environments and exhibit mechanistic systems of management (prop. 3-4).

Decision-making situations and methods utilized by Navy comptrollers were analyzed and compared to validate the hypothesis of the comptrollership model. It was found that comptrollers utilize various decision-making techniques germain to different methods, rather than using a particular method exclusively.

In general, the data indicate the following characteristics of the typical comptroller in the Navy and his/her organization: The average Navy field comptroller is military (74%) and experiencing a first tour in comptrollership. The sizes of Navy commands are widely dispersed with an average personnel compliment of 2118 including 51 military and civilian personnel in the comptroller's department. The typical comptroller organization has three hierarchical levels in the chain of command with four to five supervisory employees reporting directly to the comptroller.

In the majority of Naval commands surveyed, command financial decisions are made at the C.O. level relying heavily on advice from the comptroller. Within the comptroller organizations themselves, routine decisions tend to be made at secondary (budget/accounting officer) levels. In short, the commands, including the comptroller organizations themselves, tend to be middle-of-the-road with respect to a centralization/decentralization continuum.

Comptroller organizations tend to be formalized with respect to operations. The results of the survey indicate that written

procedural rules and regulations are strictly followed with few exceptions. In addition, upward communications are perceived by the comptrollers as being quite free flowing.

According to the survey, the various functions of comptrollership (budgeting, accounting, ADP, internal review, special reports) are highly interdependent and require close coordination. The functions tend to be fairly specialized.

The responses to the comptroller questionnaire indicate that the inputs to the typical comptroller organization are more than moderately standardized and predictable. The functions are perceived by the comptroller as being somewhat routine (mid-range response) with fairly high complexity. The typical comptroller organization is about 50% automated.

In the typical comptroller organization, employees are granted moderate discretion (mid-range response) regarding the conduct of their jobs (i.e., hours, methods, output). Quality control of individual output as well as employee performance feedback are considered to be of great importance in the typical comptroller organization.

Appendices D and E (Comptrollers' comments) demonstrate the concern of Navy field comptrollers for the behavioral aspects of their jobs, especially technology/structure and leadership aspects. The following chapter will offer conclusions which can be drawn from the results of the questionnaire and data analysis with regard to the comptrollership model.

V. CONCLUSIONS AND RECOMMENDATIONS

A. GENERAL

The purpose of this thesis as stated in the introduction was to present an organizational perspective for the job of the Navy field comptroller with the intent of assisting the new comptroller with the start-up process. A brief history of comptrollership in the U.S. Government and the Navy was presented, followed by a description of the present day functions of Navy field comptrollership, in order to acquaint the reader with the function to be analyzed.

An organizational analysis model for comptrollership, referred to as the "comptrollership model," was presented which was derived from several well known behavioral theories. The purpose in designing the model is to assist the new comptroller in rapidly sizing up the organization and determining whether or not optimal structures, leadership styles, and decision-making methods are being employed. The model states that these controllable variables are determined to a great extent by the environment; the technology of comptrollership; the characteristics of the leader, the followers, and the situation; and the types of decision-making situations.

A survey was conducted of actual Navy field comptrollers to determine the current state of many of the dependent variables of the model. Although comptroller organizations

will differ in many respects, the survey was intended to give the new comptroller a general view of what to expect prior to reporting to the new command. He or she will still have to evaluate conditions at the new command individually in accordance with the comptrollership model.

B. CONCLUSIONS

The comments of Navy field comptrollers as presented in Appendices D and E indicate a strong need for a device such as the comptrollership model presented in this thesis. For example, the common thread throughout the comments is the fact that the new comptroller must start slow, size up the organization, learn the organizational structure/technology, and get to know the people within the department as well as the other department heads. The comptrollership model will assist the new comptroller in knowing what to be aware of. For example, he/she must be able to assess the state of the organization, spot mismatches concerning structure and technology, and know how to correct such situations. The new comptroller can utilize the model to map new situations by following the prescribed guidelines. For example, if a decision is going to be made to increase the amount of discretion which is held by lower levels in the organization, the following modifications to the structure should be made: (1) decrease the levels in the hierarchy if possible, (2) increase the adherence to rules and written procedures, (3) ensure vertical communications are maximized.

One type of possible bias in the data analysis which was not previously discussed could be present due to the combinations of large and small organizations, military and civilian comptrollers, male and female comptrollers, and experienced and non-experienced comptrollers. A break-out of the different categories might produce different results.

In the decision-making section of the questionnaire, more than any other section, this author feels that bias is most prevalent. This is due primarily to the social desirability aspect of the decision making choices. It is the contention of this author that more comptrollers are prone to using the organizational processes and bureaucratic politics methods than the data indicate. Following standard operating procedures and directives in making decisions is a way of life for the military officer. An additional attribute of the military officer is concern for career. These aspects of the comptroller's way of life indicate that the two non-rational methods of decision-making will probably be followed more often than the comptrollership model prescribes. The reason for the popularity of the rational response is hypothesized to be its social desirability. Nevertheless, when a decision-making situation arises in which the comptroller does not know what method to employ, the model can be utilized to assist in selecting an optimal decision-making method.

A final conclusion indicated by Appendices D and E is that comptrollers are being sent into the field unprepared to deal

with the behavioral aspects of their organizations. It is apparent from the comments that comptroller training is adequate with regard to technical areas but is lacking in the behavioral aspects.

C. RECOMMENDATIONS

This thesis was intended to be an initial exploration into the behavioral aspects of comptrollership and is in no way the final word on the subject. It is a starting point for further research and offers a framework which can be refined and expanded. For example, refinement is needed in the measures utilized in order to eliminate bias from resulting data as much as possible. Data can be analyzed by subsamples such as experience level of the comptroller, sex of the comptroller, size of the command, or military status of the comptroller. This type of analysis could open up a whole new area of the effects the particular attributes of the comptroller or the command have on the comptroller organization itself. In the structure/technology portion of the research, partial correlation analysis should be performed to identify separate effects of all independent variables on the dependent variables.

The comments of Appendices D and E indicate a substantial lack of organizational awareness and direction by new comptrollers upon commencing their tours as comptrollers. It is a contention of this thesis that such a condition can be partially remedied through formal education. It is felt by

this author that the Practical Comptrollership Course at the Naval Postgraduate School in Monterey, California, is the best place in which to implement such a program. The emphasis on organizational behavior should be expanded from its present two-hour lecture and aimed directly at the comptroller's organization as it presently exists, not at organizations in general. The techniques used in this thesis for gathering pertinent data on actual comptroller organizations should be explored with regard to developing such a course of instruction. Because of the importance of organizational awareness addressed in Appendices D and E, follow on research should be conducted to expand on the conclusions presented here.

In addition to attending such a course of instruction, the future Navy field comptroller can shorten his/her start-up process through use of the comptrollership model presented in this thesis. Technological characteristics of the organization should be rapidly surveyed and compatibility of structures reassessed in accordance with the model. Characteristics of the employees, the situation, and the comptroller need to be analyzed in order to arrive at appropriate leadership patterns. The types of decision-making situations must be analyzed in order to decide quickly on which type of decision-making methods to employ. For instance, if the situation is a crisis (high threat, short time fuze, and no warning), there will be no time to successfully employ the rational decision-making method. The most likely response would be to follow

SOPs, satisfice, or try a solution which has worked in the past (examples of the organizational processes method). The comptrollership model will assist the comptroller in deciding which methods to use in many different situations. It is therefore intended as a guide.

It must be remembered that the comptroller's organization is a service organization charged with facilitating information flow. The tools presented in this thesis were designed to assist the comptroller in utilizing available resources in the successful accomplishment of that end.

APPENDIX A

SUMMARY OF TITLE IV

The following is a summary of Title IV of the National Security Act Amendments of 1949 as quoted from The Functions and Corresponding Processes Involved With Field Level Comptrollership by John C. Matthews.

Section 401. This established the position of the Assistant Secretary of Defense (Comptroller) and held the incumbent responsible for the preparation of an integrated military budget, the establishment of efficient and economic policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense and the development of uniform terminologies and classifications.

Section 402. This section requires each of the departmental comptrollers to organize their operations in a manner which was consistent with those of the office of the Comptroller in the Department of Defense. It also permitted the Assistant Secretary of Defense (ASD) to appoint either a civilian or a military (line or staff) person as the departmental comptroller. In cases where the departmental comptroller is a military officer, the deputy comptroller is to be a civilian.

Section 403. Under the budget and appropriation structure existing at that time, almost every project and/or program undertaken by the Federal Government required, for its execution, financing from numerous appropriations. Usually, such appropriations were managed or administered by scattered and sometimes unrelated organizational divisions. Such administration inevitably hindered the achievement of economy and efficiency. Section 403 was intended to facilitate administration by financing each identifiable budget program from a single source, encourage the fixing of management responsibility, simplify reporting and permit departmental management and the Congress to determine costs and to evaluate progress and accomplishment. The performance budget was to focus attention upon the general character and relative importance of work to be done and services to be rendered rather than upon things to be acquired, such as personal services, supplies and equipment. This section intended that there be a logical and uniform grouping of projects or budget programs by the primary functions of the military departments paralleling the organization and management structure.

Section 404. This section required the Secretary of Defense to approve scheduled rates of obligation of funds appropriated to the departments before any obligation took place. This was not intended to interfere with internal operations, but rather to prevent overdrafts or deficiencies.

Section 405. This section authorizes the Secretary of Defense to require the establishment of working capital funds in the departments and agencies of the Department of Defense to finance inventories and to provide working capital for industrial and commercial type activities. It provided legal authority for the operation of funds and provided that the working capital funds be charged in appropriate circumstances for the cost of stores, supplies, materials and equipment which were procured or which were manufactured, repaired, issued or consumed. It also provided that the working capital funds were to be charged for services rendered or for work performed. A provision was made to reimburse the funds from available appropriations for the cost of material and/or services provided by the funds. The amounts which were to be charged or credited to the funds were to include administrative expenses, and the operations of the funds were to be reported annually to the President and to the Congress. If the amount of working capital deemed by the Secretary to be required was not fully provided by operations, Congress could appropriate further sums as necessary. Under the procedures existing at the time, little control existed over the use of material on hand procured with prior year resources. One of the purposes of this section was to restrict the requesting agency from incurring any greater cost for such items than

the amount of appropriated funds available for such purposes. Additionally, items returned to inventory were to be credited to the proper appropriation. This was intended to discourage the stockpiling of material and supplies and thereby afford a greater availability to other potential users. Finally, this section formalized the use of working capital funds in industrial type activities. In effect, working capital would be available to those who ran or administered industrial or commercial type activities performing common service. It made these officials responsible for the money they spent, the costing of each job and the most economical method of accomplishing the work. All costs of the operation would be paid by the working capital fund, using commercial practices for the distribution of direct and indirect costs to the jobs in progress. The agency placing a work order with such an activity would establish commitments and obligations against resources appropriated to it. The industrial plant would enter the order and distribute the work in the plant by its own job orders. When the work is completed and the cost of the job ascertained, the plant would invoice the cost to the ordering agency charging the proper appropriation and budget program.

Section 406. This section created management funds. These funds, as distinguished from working capital funds, are not

revolving or continuing funds. They constitute an allotment of money to a common pool for a special purpose. They provide a management tool for economical and efficient administration of specific joint operations, or operations requiring the support of two or more appropriations where the distribution of costs cannot be easily determined. Management funds are authorized to incur expenditures for material (other than for stock) and for services under regulations which the Secretary of Defense may prescribe. All expenditures by a fund, however, must be properly chargeable to available appropriated funds of the department within which the fund is established or in special circumstances, to appropriated funds of another department or agency. Expenditures by the fund must be reimbursed by proper appropriations; and advances and reimbursements from appropriations on the basis of estimated costs of the projects are authorized. Amounts advanced to management funds are available for obligation only during the fiscal year in which they were advanced and final adjustments must be made for all obligations created during that fiscal year.

Section 407. This was intended to facilitate accounting and to provide for the transfer of funds from one military department to another when a function is reassigned under authority of law. For example, if the purchase function for a given class of material is assigned to one department

during a fiscal year, the funds appropriated to the one or two departments no longer performing that function may be transferred to the department newly charged with that function. This section does not authorize the transfer of any functions; it simply provides administrative mechanisms which can be utilized when and if functions are transferred.

Section 408. This section permits the creation of reimbursements and sums paid by a department for supplies or services rendered to authorized replacing accounts. The effect of this section was to permit direct charges to be made against the appropriations of the department receiving benefit from the supplies or services. Furthermore, it eliminated the necessity of establishing working fund advance accounts between the military departments.

Section 409. This section makes the disbursing and accounting services of one military department available to the other departments in order to realize savings.

Section 410. This simply expanded the record keeping function already performed by the Navy and specified the nature of the reports to be submitted by each department.

Section 411. This section repealed all laws, orders and regulations that were inconsistent with the provision of Title IV.

APPENDIX B

FUNCTIONS OF COMPTROLLERSHIP

The following is quoted from the NAVCOMPT Manual, Volume I, Chapter 2, article 012100

1. Provide an integrated system for financial management.

An integrated system for financial management is established, coordinated, and maintained by the comptroller or cognizant personnel in order to provide the commanding officer with the factual data essential for effective management control of operations. The comptroller is responsible for:

* technical guidance and direction of financial matters throughout the organization as a staff service to the commanding officer;
* maintenance of a classification of the programs administered and their objectives and a current inventory of budget plans and program schedules;
* budget formulation, review, and execution;
* collection of obligation, expenditure, cost, and other accounting and operating statistics data;
* review of program performance against the financial plan;
* promotion of economy and efficiency in the performance of assigned programs.

2. Budgeting. Personnel engaged in budgeting provide technical guidance and instructions for preparation of the budget. They review requirements and justifications for the various programs and prepare estimates of the cost thereof and compile the annual budget and other budgetary data as required by authorities in the review cycle. They recommend distribution of available funds and civilian personnel to programs within the command and revisions thereof, as required; issue funding documents reflecting approved distributions of available resources; analyze variances from the budget plan and recommend remedial action where appropriate; determine areas where desirable financial reprogramming may be effected; initiate action to adjust financial plans to available funds; and, when required, submit requests and justifications for additional funds.

3. Accounting and Disbursing. At the field activity level, accounting personnel are responsible for:

    * maintenance of required accounting records, including records of obligations and expenditures against allotments and project orders;
    * preparation of accounting reports both for local management and for submission to higher authority;
    * conduct of cost accounting operations; maintenance of plant property records and financial records of inventory transactions of all classes of property, and submission of all property returns;

* supervision and conduct of timekeeping operations;
* maintenance of civilian pay, leave and retirement records, and preparation of civilian payrolls.

In accordance with applicable policies, regulations, and procedures, personnel engaged in disbursing perform:

* functions of payment of civilian payrolls, receiving and depositing collections and, when authorized, the payment of military payrolls, public vouchers, and issuance of savings bonds;
* maintenance of the required disbursing records and the preparation and submission of disbursing reports and returns.

4. Program Analysis. Personnel engaged in program analysis measure and analyze performance, program status, and trends against the approved programs and budget plans and schedules and report the results of operations to responsible levels of command. The accounting system provides for the collection of data that will permit this kind of appraisal and detection of variances from the operating and budget plan so that management can take the appropriate action. This function of comptrollership is considered an extremely important staff service to the commanding officer who has the responsibility for decisions. Analysis and comparisons should be timely and presented with recommendations for action or decision so that funds may be used effectively and economically.

5. Progress Reports and Statistics. Personnel engaged in the progress reports and statistics function develop guides and criteria for the collection and coordination of statistical data and prepare special statistics as required by responsible levels of command. The organizational component exercising this function serves as coordinator and official clearance center for the release of statistical data. Each organizational component will have distinctive requirements for periodic progress reports and for special statistical data on the programs it administers. Statistical reports should be rendered in a timely manner and in a form that will insure optimum use of management.

6. Internal Review. Internal review (e.g., financial review, analysis, and trouble shooting) is a responsibility of command and will be performed at all installations. It will not impinge, however, upon the functions of internal audit which are the responsibility of the Comptroller of the Navy. The principal functions of internal review consist of:

    * conducting special studies, analyses, and investigations of comptroller areas for the purpose of promptly detecting and correcting troublesome and unsatisfactory conditions arising in connection with established financial practices, procedures, records, accounting systems, statements, and reports;

* performing audits of nonappropriated fund activities;
* rendering assistance in correcting deficiencies which are revealed from time to time by internal audits conducted by the Director, Naval Audit Service or by reports, analyses, observation, or other means;
* adapting and participating in the installation of approved financial and accounting systems and procedures;
* developing and coordinating financial programs, procedures, and controls, such as programs for checking labor and material distributions;
* rendering advice on matters of organization and staffing within comptroller areas;
* maintaining liaison with, and providing assistance to, internal auditors of the Director, Naval Audit Service assigned to perform continuous, periodic, or integrated audits;
* performing a review of civilian timekeeping and payroll functions annually.

APPENDIX C

QUESTIONNAIRE

Please answer the following questions.

1. Are you military or civilian? _____

2. Is this your first tour as a comptroller? _____

3. How long have you held your current billet? _____

4. Approximately how many personnel are attached to your command? _____

5. Approximately how many personnel are attached to your department? _____

6. How many personnel report directly to you? _____

7. How many hierarchical levels are there in your department? _____

8. To whom in the command do you have reporting responsibility? _____

Please circle the most appropriate answer to each question below.

9. At what organizational level are command financial decisions made within your organization?

1	2	3	4	5
At the C.O. level only with little advice from the comptroller		At the C.O. level (C.O. relies heavily on advice from the comptroller.)		At the comptroller level (C.O. rubber stamps).

10. At what level are routine decisions made internal to the comptroller organization?

1	2	3	4	5
At the comptroller level only.		At secondary levels (budget/accounting officer).		At the lowest level in the organization.

11. To what extent are written procedural rules and regulations followed within the comptroller organization? (concerning functional procedures)

1	2	3	4	5
Rules strictly followed always.		Rules usually followed but circumvented occasionally when advantageous.		Rules seldom if ever followed.

12. How do you perceive the freedom and amount of upward communication within the comptroller organization?

1	2	3	4	5
High		Essential communications usually get to the top.		Very little if any.

13. How dependent upon one another are the different functions within the comptroller organization?

1	2	3	4	5
Very dependent		Somewhat dependent		Not at all.

14. How important is coordination among the different functions within the comptroller organization?

1	2	3	4	5
Very important		Somewhat important.		Not at all.

15. How specialized are the various functions within the comptroller organization?

1	2	3	4	5
Highly specialized.		Somewhat specialized.		Not at all.

16. How standardized would you say the inputs to the individual job functions are within the comptroller organization?

1 2 3 4 5

Highly standardized Somewhat standardized. Not at all.

17. How predictable would you say the inputs are to the various functions within the comptroller organization?

1 2 3 4 5

Very predictable. Somewhat predictable. Not at all.

18. How routine would you say the various functions are within the comptroller organization?

1 2 3 4 5

Very routine. Somewhat routine. Not at all.

19. How complex are the operations of the comptroller organization taken as a system?

1 2 3 4 5

Highly complex. Somewhat complex. Not at all.

20. How much automation exists regarding the operations of the comptroller organization?

1 2 3 4 5

Almost totally automated. About 50% automated. Very little if any automation.

21. How much discretion do the people in your department have regarding the conduct of their jobs? (i.e. hours, methods, output, etc.)

1 2 3 4 5

High discretion. Moderate amount. Little, if any.

22. Is there much emphasis within your department concerning quality control of individual output?

1 2 3 4 5

Much emphasis. Moderate emphasis. Little, if any.

23. Is employee performance feedback emphasized within your department?

1	2	3	4	5
Always.		Sometimes.		Hardly ever.

24. The following is a list of situations in which decisions sometimes must be made. In the blanks to the right, try to list the approximate percentage of the time you make decisions in each type of situation. (try to make the %s equal 100%)

Type of situation	Threat to your performance as comptroller	Time fuze	Your awareness ahead of time	%
a. Crisis	High	Short	Surprise	_____
b. Innovative	High	Extended	Surprise	_____
c. Inertia	Low	Extended	Surprise	_____
d. Circumstantial	Low	Short	Surprise	_____
e. Reflexive	High	Short	Anticipated	_____
f. Deliberative	High	Extended	Anticipated	_____
g. Routine	Low	Extended	Anticipated	_____
h. Administrative	Low	Short	Anticipated	_____

25. From the following list, check at least six words/phrases which pertain to the process you use as the Comptroller in making decisions concerning your department and the command. (list continues on the following page)

_____ unitary decision maker

_____ follow SOP/regulations

_____ personal interests

_____ prefer incremental change to current policy rather than radical change if possible

_____ state the objective

_____ develop alternatives

_____ sell the decision to C.O.

_____ divide problem into factors to be divided among sub-units in the organization

_____ analyze each alternative (e.g., economic analysis, cost/benefit, etc.)

_____ effect of decision on my own career

_____ usually pick first acceptable alternative

_____ list assumptions concerning alternatives

_____ pick alternative which provides feedback

_____ make decision by picking the best alternative

26. Briefly list those areas which gave you the most problems during your first hundred days as a comptroller. Please expound upon what you feel caused the problems.

27. Do you have any advice for the new comptroller with regard to the "start-up process?" (This is where you can help me the most.)

APPENDIX D

COMPTROLLER PROBLEMS

The following are verbatim responses to the following question from Navy field comptrollers: "Briefly list those areas which gave you the most problems during your first hundred days as a comptroller." This author makes no claim concerning the validity of the following comments.

1. The method of obtaining funds available for special projects outside of those permitted under the NIF accounting system.

2. Understanding just what latitude I had in affecting reallocation of resources, i.e., fenced $, floors, ceilings, politics, civilian personnel rules, regulations, etc. Lack of experience.

3. Understanding key operational factors that underlie budgetary requirements. Lack of experience.

4. Overly complex/technical requirements for budget format. Insecure major claimant.

5. Potential violation of R.S. 3679 - The station expenditure plan estimated MRP labor costs too high (800K out of a 1000K total MRP ceiling/floor). Actual labor costs are running approximately 100K below the plan. As a result, the ceiling/floor will not be achieved.

6. Financial Inventory Report (FIR) - The three sections of the FIR that I'm responsible for, do not balance. Two of these sections were last balanced in 1966. Engines are out of balance by over two million, fuel around two hundred thousand and servmart currently exceeds authorized percentage variance. We are going to try and correct this problem this month.

7. Additional funds are required for BA-3. Funds are required for utility and telephone support for the rest of this year. I will write a letter requesting the additional funds. If we don't receive them, it will be very tight for the remainder of the year.

8. Record keeping - Cost center records and the official records are in such bad shape, that I don't know within 200K of where we stand.

9. Internal review - The station does not have an internal auditor. However, this does not eliminate the requirement to perform the required audits. There was no established audit program. A board was established, but nothing was done or at least there was no record with one exception (EMO).

10. Plant and minor property - There is no control on Plant or Minor Property. For example, we have no idea as to the number of typewriters on station.

11. The functions of many staff organizations internal to the command were not well defined.

12. The comptroller has an obvious statutory role to perform; however, he has other staff functions for which he should be responsible as well. It was difficult for me to enter into an environment in which the role of the comptroller was that of being a "bean counter" which limited many of the functions which had previously been assigned to me as comptroller at other activities.

13. Uncovering the "pots" of contingency funds my predecessor failed to mention during the relieving process.

14. Training a new Budget Officer.

15. Replacing an authoritarian management style with a participative management style.

16. The establishment of my knowledge base with respect to accounting techniques.

17. Employees were previously given only the information required for their desks, no information was shared; cross training was "token"; supervisor continually watched over the shoulders of employees.

18. Most decisions previously were made based upon getting another department into the debt of the comptroller so he could extract favors or repayment for future personal gain.

19. Learning the strengths/weaknesses of the department, i.e., where to turn and to whom.

20. Addressing/resolving the current "hot" subjects such as overtime limits without minimizing attention to the usual matters.

21. Establishing interface/relationship with other departments, their thoughts, weeding out the chaff.

22. Knowing who all the players were and their interrelationship.

23. Tennant reimbursables were a big problem with regard to common services to be provided to them.

24. Document flow. Each area (supply, comptroller, automated data processing, etc.) requires its own unique information on chits.

25. Accountability is lacking in the Public Works/ROICC area.

26. All knowledge of financial management at the activity is vested in one civilian position (GS-11) who does not share knowledge, and has a "bean-counting" approach. A military comptroller soon retreats to a passive role as other interests appear more rewarding/less frustrating.

27. Assistance from the major claimant is negligible.

28. End of fiscal year surprises. A two-week turnover in August did not include a comprehensive list of "oh-by-the-ways." During turnover, you should review in detail the fiscal position of the activity and all possible adjustments which could impact the fiscal position - this is highly complex at an industrial funded activity.

29. Loss of five key personnel due to retirement and transfer created a situation in which I had to train replacements immediately. Problem was caused by a lack of significant cross-training to help pick up the workload while a training program was implemented.

30. Errors made by staff until my learning curve allowed me to catch them before they went out.

31. In addition to responsibilities for comptrollership, this job also has systems responsibilities for the facility. During the first 100 days, I was beset with a number of systems problems that impacted the accuracy of accounting and performance reports. It took a long time for me to sort out the problems, determine the responsibility and start action to correct/resolve the problem.

32. Figuring out who really does what.

33. Learning command procedures/policies.

34. Determining capabilities of subordinates.

35. Determining requirements/desires of superiors.

36. Learning the informal organization.

37. Understanding the "weird" aspects of ashore accounting (e.g., the end of year, drop from inventory problem). Additionally, the accounting systems handling of reimbursable work.

38. Budget. We received results from mid year review late from Headquarters. Staff was trying to sort out mid year results and develop strategy for remainder of FY79 while also developing Operating Budget Request for FY80. Both projects are time consuming and trying to do both at once was chaotic. Add to this a brand new C.O. along with the new comptroller and other department heads trying to "help" and confusion was rampant.

39. The Deputy Comptroller position is vacant. The Budget Supervisor position is becoming vacant in two weeks. The accounting supervisor is leaving in three weeks. Major positions are all "turning over."

40. Ensuring that the books at year-end close-out were accurate. Cause: Accounting Activity (through consolidation in preparing for IDA) is not in the chain of command; therefore, not as responsive as one which might be under the direct control of the local activity. (I guess this is a personal complaint but consolidations are removing the authority to get a job done, while not removing the responsibility for ensuring that it's done correctly.)

41. The volume of rules, regulations, and constraints that are applicable to the Resource Authorization that the command receives.

42. The FY80 budget crisis was the big technical problem. No continuing resolution at commencement of the fiscal year and no operating budget for the first four months. Critical decisions were required while I was "learning the ropes."

43. Staffing. The previous comptroller avoided personnel and organizational changes that were obviously needed.

44. Establishment of credibility. Financial controls were not emphasized and authority had to be established on the station. This can only work out - as it did - with absolute support of the C.O.

45. Training. It was necessary to bring the level of professionalism in the comptroller department up to standards and to get the message over to other dept. personnel.

46. Determining organizational relationships within the unit, i.e., who stood where.

47. Understanding objectives and management style of the C.O.

48. What priority in the operation of the unit was funding related, or what role the comptroller had in the overall issues facing the unit C.O.

49. Recognizing the strengths and weaknesses of personnel within the department.

50. The only problem, and it still exists, is that there are no real standard ways of running a Comptroller Department.

51. Establishment of self with C.O. and department heads.

52. Learning the underlying power structure of the civilian employees. (A GS-7 may have more influence with the C.O. than anyone else on the station.)

53. Coordinating efforts at the next highest level of command.

54. Development of consistency in reporting requirements to higher authority.

55. Knowing where the C.O. wants to apply available resources.

56. Finding out what each department does.

57. Finding out each department's resource requirements.

58. Finding out the capabilities of subordinates.

59. Redesigned budget call - Caused by previous C.O. who did not have faith in comptroller and ran entire budget from his office.

60. Adjusting to new financial system (i.e., different than previous system).

61. Learning "pressure points" (i.e., where, when, and how to exert financial management influence).

62. Lack of automation coupled with expanded requirements caused severe response problems in first buget submission.

63. Lack of management willingness/foresignt to affect changes in budget formulation to automate where practical.

64. Learning the jargon. After that it is mostly common sense.

65. Determining internal procedures.

66. Familiarization with unique accounting problems. Internal methods and procedures vary from command to command. While accounting is technically standardized, procedural variations are often difficult to deal with.

67. Learning new accounting systems.

68. Determining individual employee capabilities/knowledge base.

69. High personnel turnover/insufficient personnel. High personnel turnover is normally caused by low grade jobs of technicians who must move between commands for early advancement opportunities.

70. Personnel - employee grievances emerged due to poor supervisory practices and promotion procedures under predecessor who seemed to have followed an abdicative leadership style.

71. "Fence mending" and "bridge building" with other organizations which viewed the comptroller organization people as "bean counters" whose ineptness was the cause of their budget and funding problems. The budget process was handled by the comptroller as a mystery understandable only by budget analysts without participation by individual cost centers.

72. Evaluation of data/info provided by line managers and assigning a true value.

73. Finding out what was going on. Subordinates felt a need to hide what was going on lest any problems become evident and they would be blamed.

74. Separate fiefdom concept among department heads. Each department tended to act independently with little consideration of the impact on others and little willingness to discuss problems or issues of mutual concern.

75. Overcoming the stigma of being viewed as the same as an unpopular predecessor and of being military in a civilian department.

76. Personnel - adjustments and changes.

77. Developing credibility with the other department heads who will look to you as the instant authority on finance.

78. Staff mentality too mechanical/rigid and not analytical/questioning/flexible/helpful enough.

79. Inadequate feedback from comptroller organization to other elements of the command. In other words, the comptroller served too much as funnel for information going up with little info being returned to other command elements.

80. Comptroller organization operated on a reactive/defensive basis vice anticipating/offering assistance/simplifying/partnership relationship with other elements of command.

81. Lack of comptroller emphasis in requirement for establishment and maintenance of credibility in budgeting and program execution.

82. Getting to know the individuals by name and their individual functions as opposed to the functions of the sections or branches.

83. Problems caused by new local accounting system procedures.

84. Problems caused by lack of training for all comptroller personnel.

85. Some people expected me to know all of the details of the financial management function - details that even in the longer term would be most relevant to the functions of people working for the accounting officer rather than known exhaustively to the comptroller. I think this is due to misunderstanding of the comptroller role; some technical people seem to think he is the chief accountant rather than a resource manager.

86. Limited experience/vocabulary in the field made it difficult to take over the real reins of power in the department.

87. Lack of knowledge of civilian personnel system made it very difficult to take an active part in staffing decisions.

88. Trying to learn the organization and restore power to the throne. The previous comptroller had abdicated all responsibility to a very strong and capable deputy.

89. Personnel problems - an area of continuing concern.

90. Budget execution, in that no one wants to follow their plan.

91. Data processing - if you don't control data processing, you are in for a lot of grief.

92. Adjusting to the fact that you are a manager and are not expected to perform day-to-day accounting/budgeting functions.

93. Getting subordinates to consider alternatives to the "old ways."

94. Convincing superiors that controls imposed by major claimant and congress as well as the caveats of appropriation law are real constraints and not just "bookkeeping drills."

95. Learning funding process.

96. Learning to psychologically adjust to the everyday problem of "keeping the wolves away from the door."

97. Learning how to convince everyone concerned that financial resources are finite and the necessity for establishing funding priorities.

98. Overcoming the "this is the way we've always done it" syndrome.

99. Establishing my own style of leadership.

100. Learning the vocabulary of shore accounting.

101. Communications and understanding - up and down the organization. The previous comptroller/budget officer had a "closed shop" approach. Training was lacking. Subordinates did not completely understand their role in the organization.

102. Clearning an EEO matter.

103. Precise requirements of subordinates not articulated in command policy directives.

104. Spending philosophy in the Public Works Department. The problem was caused by a poor line of communication between comptroller and public works officer.

APPENDIX E

ADVICE TO NEW COMPTROLLERS

The following are verbatim responses to the following question from Navy field comptrollers: "Do you have any advice for the new comptroller with regard to the 'start-up process'?" This author makes no claim concerning the validity of the following comments.

1. Find out what the C.O.'s philosophy is toward priorities, Fleet support, morale, welfare & recreation, training, etc.

2. Let your subordinates know right away that they have the expertise and that you will rely heavily on their professionalism.

3. Play openface with all department heads. For example, at mid-year review, we all got together with departmental priorities and formulated them into a station priority listing. Knowing this had been done, concurrence by the c.o. on our recommendations was assured.

4. Don't try to make decisions behind locked doors. Share the financial picture (or posture) with the other department heads and you will find that the more they get involved, the more helpful they become.

5. Use plain language when explaining financial matters - not everyone is an accountant. (Especially the C.O.) Tell it like it is, and you will earn his confidence. If the answer is no, make sure he understands why.

6. Familiarize yourself with the organization, and determine the various personalities that will be encountered throughout the various other departments/offices.

7. Determine the objectives of both the Executive Officer and the Commanding Officer of the activity.

8. Determine the extent of the latitude permitted by the Executive Officer and the Commanding Officer in the operation of the comptroller office.

9. Extend assistance to other department/office heads in accomplishing their missions.

10. Advise other managers of the proper methods of obtaining funds to accomplish in-house requirements.

11. Know RMS accounting cold.

12. If you can't trust your budget officer, make him/her sit down and explain exactly how he/she knows the status of funds at all times.

13. Try to know a lot about the operations of each department/ divison within the command. This will afford you the luxury of not having to rubber-stamp their inputs.

14. Do not make any changes or rely on anyone until you have your feet on the ground.

15. If the function is to be meaningful, comptroller personnel - at whatever level of government - need to establish a different identity from that which has evolved, i.e., green eyeshades and making arbitrary decisins based on procedural grounds. To be successful, a comptroller should be a facilitator and perceived as such. He should make decisions on substantive grounds. As a professional, he will find himself in adversary relationships not only internally but externally as well. He should be rational and make judgements based on substance, not procedure. If rules do not make sense, he should challenge them. Above all else, he should be as open as possible. He should never be dogmatic and say that something can't be done without providing, at the same time, a reason for it. In short, he should be rational and reasonable. He should establish himself as more than just a "bean counter." He should be intricately involved with the decision-making process. In point of fact, it is the financial area in which all decisions come together and are highlighted. Therefore, the management and, especially, the interpersonal style of the comptroller is exceedingly important.

16. Establish yourself as being totally fair to all Department Heads.

17. Advocate the total command rather than any single program.

18. Teach other department heads how to assemble "staff work" and make them resposible for resource control within their departments.

19. Establish relationships with the C.O. that allows the two of you to speak candidly to each other.

20. Be innovative - don't let the rules get in the way of providing the resources needed to give the care required by our patients. Be a positive thinker rather than a negative one.

You're going to make mistakes; accept that fact and then get on with the job. Your technicians will prevent you from doing anything fatal.

21. Meet regularly with your Supply Officer, Staff Civil Engineer, DCS, DAS, and C.O.

22. Listen to your people, weed out the gripes from potentially real work situations. Know what the 3rd and 4th levels are thinking or think they think. Make a plan to address these "thinks." Mind you I didn't say solve! They will test you as you test them. Some routine questions will be posed along with the complex. People respond better if they think they are a part of the maangement process - so ask what they think before blurting out your decision. Avoid the tendency to demonstrate power - it is inherently yours.

23. Budget execution vs. plan. Track it and understand the reason for variance. Develop alternatives for resolution and means for selling them vice force feeding.

24. Get away from your desk and browse the other departments noting the use of labor which makes up the biggest part of your budget. Use internal review to confirm your suspicions before attacking the matter.

25. Charts and graphs are fine as a barometer. But don't over do it. I use very few, in notebook size, and only those for top management info.

26. Develop a sound working relationship with all departments and activities, especially supply, public works, and ADP.

27. Always be creditable with the people you fund and receive funds from and keep an open line of communication with them all.

28. Even though you're helping dept. heads, etc., remember you work for the C.O. and it's his policies you adhere to within the command and external.

29. Don't look to make changes initially! Find out how it's being done - completely - before any change is implemented. Guided discussions with all concerned departments are very beneficial.

30. There will always be a perceived need for changes. Don't change anything unless its essential.

31. There's a considerable amount of stationary inertia associated with accounting and finance. Tenacity is the only way to succeed.

32. Let the civilians handle it at the "grass-roots" level.

33. Attend the PCC course at Monterey.

34. Get to know the organization ASAP (as soon as possible).
    a. Personnel - strengths and weaknesses
    b. Procedures - detailed data/document flow
    c. Ask questions and compare answers to regulations/ NAVCOMPT manual, etc.

35. Get to know (visit/phone) headquarters comptroller personnel - this informal communication can be invaluable.

36. When making a presentation to the "front office" try to anticipate questions and be prepared with all the facts.

37. Learn the personality of the Commanding Officer. It's much easier to accomplish the job when one can expect a certain response from the C.O.

38. Ensure that the employees in the comptroller shop are made aware that you, the comptroller, know your job. A brief, totally informal training session accomplished this for me.

39. Listen to your employees. Those many years of experience are frequently beneficial.

40. Keep the C.O. informed. He has the ultimate responsibility and should be made aware if any problems are developing. He may look to his comptroller for solutions to the problems, but at least he will know what is happening.

41. Be skeptical.

42. Check the detail carefully.

43. Don't assume years of experience means a person knows what he is doing.

44. Develop multiple lines of communications into the organization to learn what is really going on. Do not rely exclusively on the chain of command flow of information, up or down.

45. Learn the details, understand the system better than your staff. Don't rely excessively on others.

46. If the new comptroller is coming from a job outside the activity, I would recommend that he/she insist on a thorough indoctrination in the new activity. It makes getting the job done later on much easier. Further, if it is the first time the individual has had a comptrollership, a formal training program in Navy comptrollership is essential.

47. Don't be afraid to ask questions.

48. Don't try and do everyone's job.

49. Read available technical and administrative guidance concerning what the comptroller's job <u>really</u> is.

50. I would suggest spending time with the NAVCOMPT and type commander publications, then getting deeply into past budgets versus actual performance data, and finally, application of budget/actual history to current and future year budgets already submitted or in the works.

51. Get all the background training possible - PCC course in Monterey is good.

52. Have enough time to relieve and insist on thorough briefings.

53. Ensure all funds status reports are up to date and go over them carefully.

54. Get thorough briefing from all departments on what they do and get to know the command - mission, problems, etc.

55. Ensure open communications with XO and CO and make sure you know their funding philosophies.

56. Find out who can you believe and trust.

57. Establish where the financial decisions are really going to be made (CO or the comptroller).

58. Develop a good working relationship with department heads.

59. Don't "stir up the pot" too soon unless there are major problem areas.

60. Listen to what your assigned personnel (usually civilians) have to say.

61. The job is too big for one person - be a director and let the people under you do their jobs.

62. Don't try to "know" all the rules and regulations but know where they are to be found.

63. Get a basic understanding of the overall system before working with your own small segment. Try to understand the importance of your part on the whole.

64. Develop skill in systematic problem solving in order to "allocate the deficiencies" in resource funding.

65. Understand 3679/3678 implications.

66. If you're military, it will be necessary to have a very competent dynasty, both to help you in the first 6 months and to provide continuity.

67. Never let the authority of the comptroller as primary financial advisor to the CO be taken over by anyone else.

68. Keep your temper, humor and perspective.

69. Be aware that there is a tendnency for all accountants to have tunnel vision - I'm one and had to overcome this. There is far more to financial management than tracking costs.

70. A new comptroller must gain rapport, respect and confidence with other department heads so that mutual faith and understanding can develop. The feeling that the comptroller can be trusted is most important. A comptroller can overuse his power easily, but the loss of respect in addressing issues will make him vastly less effective in solving problems related to command issues and others in the unit will attempt to bypass him. He will be left on the fringes of decision making.

71. Visit and meet with every department head/cost center manager. Tour all spaces of your command (Know where your $'s are going). Get out of the office and into the field. Communication is vital.

72. Sit with each employee and go over their job, responsibilities, and daily routine. After meeting with employees, have supervisors tie together work and document flow within each area.

73. Establish monthly meeting with all cost center managers for each sub-head of funding. Use as training session and problem solving opportunity.

74. Don't be overly conservative. It's just as bad not to fully utilize your funds as it is to over-expend.

75. Take it easy - go in slow, say little - listen a lot. Never use threats of witholding funds or giving money out to a few favorites. The comptroller is an advisor to command. He is not the C.O.

76. Keep an open mind toward all requirements. Help the C.O. prioritize, but don't do it yourself.

77. Get out of your office and look around. Know and fully understand the mission of the command and what it takes to support that mission.

78. Maintain your credibility. It's all you've got. Lose it, and the ball game is over.

79. Find out early what each department is responsible for.

80. Feel out what the C.O. thinks is important.

81. Be the comptroller - don't do your job by committee.

82. Point to remember - you must live with what your predecessor did with relation to the budget for at least two years. Depending on the length of tour you may never execute a budget you developed and submitted.

83. Make changes slowly and with deliberation. Trust your subordinates, but make changes when/where needed.

84. Read professional publications extensively.

85. Work long hours; depend on those people who you determine to be knowledgeable for the necessary technical expertise you need.

86. Listen, observe, keep an open mind, attempt to remain flexible and gain a quick insight into the capabilities of comptroller managers and supervisors.

87. Remember you are a service organization and that's all you have to sell. Be truthful and honest in dealing with your counterparts.

88. Ask lots of questions. Don't take anything for granted.

89. Develop working relationships with other departments.

90. Get out of the office and find out what is happening in other areas of the command.

91. Decide what data is important to you and that employees know what data you want.

92. Understanding of rules and regulations for the following functions:

Disbursing - legal expenditures
- travel
Contracts - OMB Circular A76
Civilian Personnel - pay/leave
Productivity - definition of
- measurement of

93. Get to know your organization and people soonest.

94. Try to say "no" as little as possible--even when the "yes" must have a caveat; e.g., "yes sir we can pay for your change of command reception from appropriated funds if we can get the voucher through the paying office (or, if you're ready to pay back the funds when the auditors pick it up)."

95. Take it slowly; study organization and its modus operandi; show interest; ask questions; outline your proposed management methods/philosophy; sit down with CO and clearly enunciate what you think your function is and have him enunciate what he thinks it should be - some bending may be necessary on your part initially but as time goes on you can slowly ingratiate your methods, procedures, management/comptrollership philosophy into fiber of organization especially with CO.

96. Insure you establish and maintain free, quick, formal and informal communication channels with other departments and especially CO as well as within your department.

97. Don't be reluctant to call/visit comptrollers of similar organizations to find out how they operate.

98. Don't get overly involved in nitty-gritty details (although some involvement in details is good on an occasional basis).

99. Demonstrate confidence in your subordinates - after all, they have been doing the job - at least getting by - for many years prior to your arrival. After a while, plant seeds for changes you want to make and let them come up with formal changes - if they think its their idea, there is much less inertia to overcome. Above all, be open, maintain your cool, use common sense, be consistent, utilize every opportunity you have to give public recognition for above average effort, be fair and be patient (changes are not usually made overnight).

100. Insist on detailed briefings on current operations, problems, etc.

101. Try to find out as soon as possible who your dependable knowledgeable people are and utilize their expertise to help you during the initial period.

102. Don't bluff your own knowledge. If you don't know exactly how something is, don't make promises. Don't hesitate to consult with your division directors. Many of the "small" problems will have been discussed with your predecessor and rejected for valid reasons.

103. Determine funds, type of funds, authorized to operate the activity.

104. Review monetary controls in use and test check for accuracy. Review last budget submission to major claimant. Examine fund allocations for past two years to the various activity departments. Review civilian personnel ceiling control and timekeeping function. Review internal auditors' working papers of nonappropriated activities' audits.

105. If activity has submitted zero-based budget, review prior to visiting the activity's departments. Under ZBB each department was required to submit the functions performed, as well as quantitative data and dollar amounts consumed in the process for the past year, current year and the budget year.

106. Visit all departments/activities to understand their operation and problems. Get the feeling of general activity operation and condition. Understand personnel strengths and weaknesses.

107. If he is going into a well-established and well-regarded organization - as I did - he should go slow, stay away from making organizational/assignment changes, let the people run their operations, do a lot of listening. If not heavily versed in the details of financial management, and/or not thoroughly aware of how the individual organization itself operates, these tactics will help avoid the problem of getting "put on the spot" too soon - either driven to make fiscal decisions you're not yet qualified to make, or get the early reputation for being indecisive. Should remember that financial systems are volume production shops, very dependent on good software. It takes 10 times as much lead time and effort as you think it will to make even minor corrections, and even the most logical paperwork streamlining processes always seem to involve somebody's rice bowl - leading to near catastrophic consequences if you try to make early changes based on logic only, vs. local politics as well.

108. Go slow. Listen a lot. Demand that all matters be staffed and come to you with the back-up material. Maintain distance between you and your subordinates until you at least think you have the informal organization in focus.

109. Get a good handle on the relationship between you and your budget officer and do not allow him free access to the CO.

110. Take personal control of the staffing function within the department.

111. Listen to your people. Take their advice until you know what you are doing. Pay particular attention to the advice of your long term civilians.

112. Get to know your key personnel.

113. Get familiar with the command functions.

114. Be a manager and don't try to be a technical expert. Leave the routine lower level effort to those people below you and require your people to perform.

115. Understand what tools are provided by the management information system (MIS) and how to use them.

116. Attend the two week practical comptrollership course at the Naval Postgraduate School in Monterey.

117. Learn the organization structure at the activity.

118. Get on a first name basis with department heads ASAP.

119. Develop a working relationship with all deputy department heads.

120. Become people oriented - they are your best source of info.

121. For the "first time" comptroller, the two week course at the PG school is a must.

122. Learn your financial program.

123. Learn the strengths and weaknesses of your subordinates.

124. Establish credibility and a good rapport with financial mgt. personnel in the next echelon of command, i.e., type commander, major claimant, etc.

125. Ascertain your superiors' approach to $ mgt., i.e., are they conservative or "hi rollers."

126. Expand your interests beyond the comptrollership function- indicate your interest in effecitvely/efficiently supporting operations.

127. Approach your job with honesty, forthrightness, and a large amount of diplomacy.

128. Don't get bogged down in accounting details. Read your civilian personnel position descriptions and insist each employee perform accordingly.

129. Exercise common sense.

130. Get to know your command and the relative importance of the various functions.

131. Keep your CO informed - visit with him often and don't hesitate to offer advice concerning the appropriateness of departmental spending.

132. Work closely with the civilian personnel department - meet with the civilian personnel officer prior to position management board meetings. Present a unified front to the CO/XO on hiring plans.

133. Get away from your office and into working areas - find out what is going on from the workers - military and civilian.

134. Hope your civilian accounting types know what they're doing. If you try to do it, you may have a great accounting division but you will be a worthless comptroller.

135. Examine every employees' position description to determine what, how, and why. Compare all aspects of your responsibilities as comptroller to what you are doing to ensure they are being carried out. Assume or delegate those not covered.

136. Do not assume anything, especially in procedures or conformance with regulations, etc. I require subordinates to show references as to why, in writing. This reduces changes for misunderstanding in interpretation, etc., of official directives.

137. Sit down with each employee and discuss their role and the future of the organization.

138. Establish lines of communication with CO/XO and department heads.

139. Learn about your own people ASAP.

140. Learn your command, tennant commands, and base facilities ASAP.

141. Know the rules and scope of comptrollership - know the players and the competence thereof.

142. You will have a position that will encompass a broad range of guiding regulations, and the knowledge and compliance existing within your activity can only be determined by keeping your eyes and ears open and asking a lot of questions. If you find things that are not on track - from the CO to an accounting technician - the problem is usually not one of intent but lack of education, training, and awareness. Your's is a difficult position in that you have a mission to provide the resources to the command that it's mission may be accomplished. Early on you need to present your philosophies regarding financial mgt. to the CO and get him supportive of the way you want to conduct the comptrollership function. Develop your Internal Review as the eyes and ears of command in both the appropriated and non-appropriated area. This is an area that particularly needs CO support - due to the feelings that can arise from Department Heads that IR is looking over their shoulder and has no business doing so. As in most aspects of your job, you must look ahead - anticipate the pitfalls and pave the road so the program will move in the direction you desire.

You will find much of the process is done a certain way because its always been done that way. Unfortunately, the civil service side - dedicated as they can be - are sometimes deprived of on site turnovers, therefore (particularly with regard to ADP) the corporate knowledge is reduced by some degree with each position turnover. If you can demonstrate a willingness to learn from them coupled with insight and understanding and appreciation of your education, they will move mountains for you.

LIST OF REFERENCES

1. Bradshaw, Thornton F. and Hull, Charles C. (ed)., Controllership in Modern Management, p. 5, Irwin, 1950.

2. Bobulinski, Robert A., Organizational Management and Field Comptrollership, p. 2, undated paper prepared for submission to the "Armed Forces Comptroller."

3. Anthony, Robert N. and Herzlinger, Regina E., Management Control in Nonprofit Organizations, 2d ed., p. 19, Irwin, 1980.

4. Bowie, F. R., "The Role of the Comptroller (Controller)??," Armed Forces Comptroller, v. 18, p. 28, Fall 1973.

5. Ibid., p. 29.

6. Bradshaw, Thornton F. and Hull Charles C. (ed.), op. cit. p. 20.

7. Ibid.

8. Naval Education and Training Command, Financial Management in the Navy, 5th ed., p. 14, U.S. Government Printing Office, 1974.

9. Matthews, John C., The Functions and Corresponding Processes Involved With Field Level Comptrollership, p. 13, Thesis for Naval Postgraduate School, June, 1977.

10. Naval Education and Training Command, loc. cit.

11. Ibid., p. 21.

12. Matthews, John C., op. cit., pp. 21-22.

13. Anderson, David R., Schmidt, Leo A., and McCosh, Andrew M., Practical Controllership, p. 3, Irwin, 1973.

14. Naval Postgraduate School, Practical Conmptrollership Course (PCC) Student Text, 2d ed., p. B-18, Naval Postgraduate School, 1979.

15. Bergquist, George W., "The Whole Comptroller," Armed Forces Comptroller, p. 37, Spring, 1973.

16. Anthony, Robert N. and Herzlinger, Regina E., op. cit., p. 20.

17. Naval Postgraduate School, op. cit., p. B-19.

18. Cooke, Robert A., Seminar on "Technology in Organizations" presented at the Naval Postgraduate School, June, 1980.

19. Rousseau, Denise M., "Assessment of Technology in Organizations: Closed Versus Open Systems Approaches," Academy of Management Review, v. 4, p. 531, 1979.

20. Perrow, C., "A Framework for the Comparative Analysis of Organizations," American Sociological Review, p. 195, 1963.

21. Katz, D. and Kahn, R.L., The Social Psychology of Organizations, 2d ed., Wiley, 1978.

22. Thompson, J., Organizations in Action, p. 24, McGraw-Hill, 1967.

23. Rousseau, Denise M., loc. cit.

24. Ibid., p. 532.

25. Dalton Gene W., Lawrence, Paul R., and Lorsch, Jay W., (ed.), Organizational Structure and Design, p. 2, Irwin, 1970.

26. Ullrich, Robert A. and Wieland, George F., Organization Theory and Design, 2d ed., p. 80, Irwin, 1980.

27. Ibid., p. 80-81.

28. Thompson, J., op. cit., p. 54.

29. Ibid., p. 56.

30. Ibid.

31. Dessler, G., Organization Theory, Integrating Structure and Behavior, p. 62, Prentice-Hall, 1980.

32. Ibid.

33. Ibid., p. 64.

34. Ibid., p. 66.

35. Ibid.

36. Ibid., p. 70.

37. Ibid., p. 71.

38. Ibid., p. 74.

39. Ibid., p. 76.

40. Ibid., p. 72.

41. Rousseau, D., op. cit., p. 534-535.

42. Ullrich and Wieland, op. cit., p. 89.

43. Ibid., p. 91.

44. Ibid., p. 92.

45. Dalton, Lawrence, and Lorsch, op. cit., p. 5.

46. Ibid.

47. Ibid., p. 6.

48. Ibid.

49. Ibid., p. 9.

50. Tannenbaum, R. and Schmidt, W., "How to Choose a Leadership Pattern," Harvard Business Review, May-June, 1973.

51. Ibid.

52. Ibid.

53. Ibid.

54. Ibid.

55. Ibid.

56. Ibid.

57. Ibid.

58. Ibid.

59. Hermann, C., International Crises: Insights from Behavioral Research, p. 14, The Free Press, 1972.

60. Finke, E., From a class on Public Policy Processes at the Naval Postgraduate School, January, 1980.

61. Allison, G., "Conceptual Models and the Cuban Missile Crisis," American Political Science Review, pp. 689-718, September, 1969.

62. Hermann, C., op. cit., pp. 304-320.

63. Laurance, E., From a class on Public Policy Processes at the Naval Postgraduate School, February, 1980.

64. Hermann, C., op. cit., p. 14.

65. Nie, Norman H. and others, Statistical Package for the Social Sciences, 2d ed., p. 341, McGraw-Hill, 1975.

INITIAL DISTRIBUTION LIST

		No. Copies
1.	Defense Technical Information Center Cameron Station Alexandria, Virginia 22314	2
2.	Library, Code 0142 Naval Postgraduate School Monterey, California 93940	2
3.	Department Chairman, Code 54 Js Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940	1
4.	Defense Logistics Studies Information Exchange U.S. Army Logistics Management Center Fort Lee, Virginia 23807	1
5.	LCDR Robert A. Bobulinski, USN, Code 54 BG Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940	5
6.	Asst. Professor Meryl Louis, Code 54 Ld Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940	1
7.	CDR Ed Finke, USN, Code 54 Fi Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940	2
8.	Asst. Professor Ken Euske, Code 54 Ee Department of Administrative Sciences Naval Postgraduate School Monterey, California 93940	1
9.	LT James E. Pledger 9824 Wolcott Ct. Burke, Virginia 22015	4
10.	Commander in Chief, U.S. Atlantic Fleet Comptroller Norfolk, Virginia 23511	1

11. Commander in Chief, U.S. Pacific Fleet — 1
Comptroller
Pearl Harbor, Hawaii 96860

12. Chief of Naval Education and Training — 1
Comptroller
Naval Air Station
Pensacola, Florida 32508

13. Mr. Larry Mann, NAFC-5 — 1
Navy Accounting and Finance Center
Navy Department
Washington, D.C. 20376

14. Capt. N. Anderson, USN — 1
Commander Naval Air Force Atlantic
Norfolk, Virginia 23511

15. Commander, Naval Supply Systems Command — 1
Naval Supply Systems Command H.Q.
Washington, D.C. 20376

Thesis
P6143
c.1

189351

Pledger
An organizational analysis model for Navy field-level comptrollership.

10 SEP 82
9 AUG 83
15 MAY 84
31 JAN 89

27532
28154
28763
30110
30707
35148

Thesis
P6143
c.1

189351

Pledger
An organizational analysis model for Navy field-level comptrollership.

An organizational analysis model for Nav
3 2768 001 92448 3
DUDLEY KNOX LIBRARY